

Heling Associates, Inc.  
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(262) 893-9955  
[www.HelingAssociates.com](http://www.HelingAssociates.com)  
January 21, 2016

This Brochure provides information about the qualifications and business practices of Heling Associates, Inc. (“HA”). If you have any questions about the contents of this Brochure, please contact us at (262) 893-9955 and/or [bheling@helingassociates.com](mailto:bheling@helingassociates.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Heling Associates, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Heling Associates, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated January 21, 2016 has been prepared according to the SEC’s new requirements and rules. Accordingly, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

**Since March 23, 2015, the date of our last update, the material changes to this brochure are as follows:**

**Mailing address: Changed to 18365 Tilton Lane, Brookfield, WI 53045-4237**

**Telephone: Changed to 262-893-9955**

Pursuant to new SEC Rules, we will now ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Bruce R. Heling, President, at (262) 893-9955 or [bheling@helingassociates.com](mailto:bheling@helingassociates.com). Our Brochure is also available on our web site [www.HelingAssociates.com](http://www.HelingAssociates.com), also free of charge.

Additional information about Heling Associates, Inc. is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with HA who are registered, or are required to be registered, as investment adviser representatives of HA.

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Information about Bruce R. Heling

#### **Item 4 – Advisory Business**

HA provides financial planning, financial counseling, and investment advisory services to individual clients and their related trusts. The firm, founded in 1991, has been principally owned by Bruce R. Heling, CFP® CPA since 1994.

#### **Non-Investment Advice**

HA is, by its focus, a financial planning and counseling practice. As such, the firm is able to provide advice across a broad range of financial issues to clients through financial counseling services, financial planning services, or comprehensive advisory services (that incorporate financial planning, counseling, and portfolio management under a single agreement). HA further focuses its efforts on clients and prospective clients in, or approaching, their senior years and the important transitions this life phase can entail.

HA provides individualized advice tailored to the needs of each client. We help clients identify financial vulnerabilities and opportunities, establish reasonable financial objectives, then identify and adopt strategies to accomplish those objectives. Financial areas that may be addressed include cash and debt management, retirement accumulation planning, retirement income planning, including Social Security and pension optimization strategies, investment planning and policy design, investment portfolio management, planning for changing insurance needs in senior years, and estate planning. Advice about securities and other investment issues sometimes play little or no part in strategies designed to address some of these concerns.

Through periodic reviews conducted with Financial Planning and Comprehensive Financial Counseling clients, HA updates plans and strategies to reflect changes in goals, tax and other laws, economic conditions, client circumstances, and assumptions used in projections upon which strategy recommendations are based.

#### **Investment Advisory Services**

Investment advisory services provided include investment “supervisory services” as well as “non-supervisory services”.

“Supervisory service” means providing continuous investment advice to a client or managing investments on behalf of a client under “discretionary authority” granted by the client. “Discretionary” means that HA will execute portfolio transactions (i.e., purchases and sales) as it deems appropriate in light of each client’s signed “Investment Policy Statement” (IPS) without being required to seek the client’s specific consent for such transactions. HA provides supervisory services only when clients have signed an Investment Policy Statement and grant full “discretionary authority” to the firm. As of December 31, 2015, total client accounts over which HA had discretion totaled approximately \$7,800,967, and client accounts over which HA did not have discretion but for which it provided supervisory services totaled \$0.

“Non-supervisory service” means providing investment advice but not continuous supervision. HA provides such services by assisting clients in the development of investment plans and self-directed investment policies or guidelines, often in the context of a financial planning relationship, for investments which they wish to self-direct or which, by nature of the investment plan (such as 401k plans), they must self-direct. HA does not track the value of such investments and identifies and reviews such values only in the context of preparing or reviewing a client financial plan or at the client’s request.

Each client’s Investment Policy Statement (IPS) is fundamental to the investment advisory relationship. The IPS addresses financial and investment goals and objectives, investment time horizon, financial and emotional risk tolerance, permissible investment types and strategies, normal portfolio commitments to asset classes and categories (asset allocation), the extent to which variations from those commitments are to be permitted, and other issues that may be considered important in managing the portfolio. HA requires that clients participate in the development of their IPS, express their understanding of its contents, and approve the IPS before HA executes any trades in the client’s portfolio. HA also encourages the development and use of an IPS (or less comprehensive guidelines, as appropriate) for investment assets that clients intend to manage directly or for assets for which another manager has been or will be engaged.

## Item 5 – Fees and Compensation

To assure you that our recommendations are as independent and objective as possible, we accept no commission income. Instead, we derive all our income from the fees clients pay us directly. These fees are assessed differently depending upon the nature of the services provided.

We offer three different types of fee arrangements depending upon the nature of the client relationship. Before beginning a new relationship, the client and Heling Associates, Inc. agree on a particular fee arrangement to be used that is both fair to the client and fairly compensates the firm. Each type of fee arrangement is explained in greater detail below.

1. Hourly fees
2. Asset-based portfolio management fees
3. Negotiated retainer fees

### **Hourly Fees**

Hourly fees are appropriate for both Financial Planning and Financial Counseling engagements that do not also include portfolio management and where planning and counseling services are not expected to be ongoing. Hourly rates for specific tasks depend upon the skill level required to complete them.

<b>Expertise Level</b>	<b>Typical Tasks</b>	<b>Hourly Rate</b>
Clerical	Data scanning, form input, correspondence	\$ 60
Paraplanner	Basic analysis, plan compilation	\$100
Analyst	Basic research, financial model design and analysis	\$175
Professional	Meetings with clients or other professionals, goal setting, strategy design, plan explanation	\$250

Clients may choose to “cap” cumulative hourly fees incurred over a specified period of time. In such cases, Heling Associates, Inc. reserves the right to withhold services once the cap has been

reached, until the client authorizes further work. Hourly fees are invoiced quarterly and upon completion of an engagement with limited scope. Heling Associates, Inc. reserves the right to require that new clients pay an advance deposit of up to 50% of hourly fees anticipated to be incurred over the first three months of an engagement.

**Asset-based Portfolio Management Fees**

When Heling Associates, Inc. provides portfolio management services outside the context of a Comprehensive Financial Counseling relationship, fees (due in advance at the beginning of each quarter) are calculated by applying the fee schedule below to the value of the assets managed at the end of the prior quarter. Fees are not adjusted for inflows or outflows during the quarter.

Assets Under Management End of Prior Quarter	Annual Rate	Quarterly Rate
\$ 0 - \$1,000,000	1.00%	0.2500%
\$1,000,000 - \$3,000,000	0.75%	0.1875%
\$3,000,000 - \$5,000,000	0.50%	0.1250%
Over \$5,000,000	0.25%	0.0625%

**Negotiated Retainer Fees**

Clients who retain HA for both financial planning/counseling and portfolio management (i.e., Comprehensive Advisory Services) have the option of paying a retainer fee for all services to be provided. Retainer fees are negotiated (usually annually) with the client and assessed quarterly, in advance. Negotiated retainer fees encourage continued and ongoing dialogue between clients and HA while providing the clients with predictability of the cost of services.

**Extraordinary Expenses**

Heling Associates, Inc. fees do not anticipate extraordinary expenses. Should it appear that HA will incur such expenses, we will advise the client of the nature of the expenses, provide our best estimate, and obtain client approval before incurring the expenses. If the

extraordinary expenses are less than \$500, we will add them to our next regular invoice. If they are more substantial, we will invoice the client separately, with payment due upon receipt.

### **Credits and Discounts**

HA does not currently offer discounts from its fees as described above to new clients. HA does, however, continue providing "charter client" fee discounts to existing clients who entered into counseling agreements with the firm prior to November 30, 1992 by way of consideration in negotiated retainer fees.

### **Payment of Fees**

HA invoices clients for fees at the beginning of each calendar quarter. Hourly fees are invoiced in arrears while portfolio management fees and retainer fees are invoiced in advance. Amounts invoiced are due upon receipt of the invoice. Clients whose relationship with HA includes portfolio management services may elect to have their fees deducted from investment accounts over which they have granted HA discretionary authority to trade (provided the account custodian offers this service). In such cases, HA will mail (or email) an invoice to the client no later than the same day that notice of fees to be deducted are submitted to account custodians.

### **Fee Refunds**

In the event a relationship with HA is terminated, the client may be entitled to a refund of prepaid, unearned fees or advance deposits.

In the event of hourly fees, the value of hours incurred through the effective date of termination will be deemed "earned". In the case of asset-based portfolio management fees or retainer fees, fees "earned" will be determined on a pro-rata basis using a numerator equal to the number of days during the billing period that services were provided and a denominator equal to the total number of days in the billing period.



Upon termination of a client relationship HA will provide a final accounting of the client's fee account, as well as a refund of any unearned fees, within thirty days of the effective date of the service termination.

### **Third Party Services**

HA's fees exclude brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Additionally, other non-investment product and service providers may impose charges, fees, and/or commissions related to such products and services (examples include insurance premiums and commissions, legal fees, accounting fees, and tax preparation fees). HA's fees exclude such charges, fees and commissions and HA does not receive any portion of these charges.

Item 12 further describes the factors that HA considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Heling Associates, Inc. does not enter into agreements with clients that provide for performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

Heling Associates, Inc. provides financial planning, counseling, and portfolio management services to individuals, high net worth individuals, and the grantor trusts of, or for the benefit of, those individuals.

HA does not impose a specific minimum portfolio size although it does impose a minimum annual fee of \$3,000 for comprehensive advisory service clients paying retainer fees and portfolio management clients (with exceptions made for certain legacy clients and, in HA's discretion, those deemed to have special circumstances).

**Typical Client Profile.** Because of its focus on providing services to seniors, retirees, and those approaching retirement, most of HA's clients are at least 50 years of age, with many in their 60s and older. Most of HA's clients are middle-class who have built their wealth with their own efforts.

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

### ***ALL INVESTING IN SECURITIES INVOLVES A RISK OF LOSS THAT INVESTORS SHOULD BE PREPARED TO BEAR.***

**Plan First, Then Invest.** Investment planning at Heling Associates, Inc. begins with an understanding of client life, financial, and investment goals as well as thoughtful discussions of the client's financial and emotional capacities for risk. The financial planning process helps to provide information about financial capacity for risk as well as prudent funding and withdrawal rates needed to accomplish the client's goals and objectives. A psychometric financial risk tolerance evaluation provided under contract with *Finametrica, Pty Ltd*, provides input into clients' emotional risk tolerance. By combining these insights, and through client discussions, we help clients to establish a risk profile that reflects the reality of their lives. We then use that profile in both the financial planning process (to establish realistic future return assumptions) and in the design of the clients' Investment Policy Statement (see below). When preparing financial analyses and projections, we employ modeling techniques appropriate to each client's

situation. We may use linear modeling in relatively simple cases, For more complex situations, we may use more sophisticated techniques such as Monte Carlo Simulation, to gain better insight into the range of possible outcomes.

**Investment Policy Statement.** Based on our understanding of each client's situation that we gain through the financial planning process, HA suggests an appropriate portfolio design and appropriate investment strategies. We help clients develop one or more Investment Policy Statements (IPS) or guidelines to be used in the investment management process. HA will not manage a client's portfolio without a signed IPS.

**Portfolio Allocation.** HA client portfolios typically include commitments to a broad array of asset classes and categories, including liquid investments, fixed income securities, equities, and alternative (i.e., non-traditional) investments. HA also recommends that portfolio investments be diversified across a variety of other dimensions including credit quality, market capitalization, investment style, economies, currency exposure, and management philosophy and strategy. The IPS addresses asset allocation down to the asset class and category level only. HA considers decisions about further dimensions of diversification, as well as selection of specific securities to be used in the portfolio, to be part of the portfolio management process. As such, they are at the discretion of HA, if HA is managing the client's portfolio, or the discretion of the client or another manager if HA is not managing the portfolio.

**Portfolio Reallocation.** The IPS also addresses the degree to which the portfolio allocation is to be actively managed over time and, if so, what strategies or guidelines will be used to make subsequent portfolio reallocation decisions. To the extent that HA manages client portfolios, clients may elect to employ HA's *Active Portfolio Risk Management* strategy described below. If this methodology is not elected, or to the extent HA will not provide ongoing supervision over elements of the client's portfolio, HA will generally recommend a static portfolio allocation policy with periodic rebalancing as the means to control portfolio risk over time, referred to below as the *Buy-Hold-Rebalance* (BHR) strategy.

**Limitation on Investment Vehicles.** HA invests client accounts (which it manages) only in mutual funds, exchange-traded funds (ETFs), and other self-diversifying investments and may

employ actively-managed funds, index funds, or both in client portfolios. HA does not invest in individual securities.

Self-diversifying investments provide advantages for most investors including diversification of holdings and, for actively-managed vehicles, professional security selection and portfolio management. Nevertheless, there are certain risks associated with these vehicles of which investors should be aware. For example, trades in open-end mutual funds are executed at the session-ending net asset value for the fund, exposing clients to losses between the time a trade is ordered and the time it is executed, a risk that does not exist when trading individual securities or exchange-traded funds. On the other hand, exchange-traded funds, which trade throughout the day, may experience a difference between the intra-day market price at which trades may settle and their net asset value at the time of the trades.

### **Reallocation Strategies Offered**

#### **Active Portfolio Risk Management (APRM)**

**Intended Purpose.** Portfolio management clients may authorize HA to employ its *Active Portfolio Risk Management* strategy in an attempt to limit the adverse effect on their portfolio of longer duration declining markets.

**How the Strategy Works.** The APRM strategy provides a signal that allows HA to reduce or eliminate commitments to portfolio asset categories whenever the value of the related category benchmark index falls below the average of the index's value over the preceding twelve months. Cash raised by selling positions in response to the strategy's sell signals is temporarily invested in more secure fixed income investments. When the value of the index in question subsequently recovers to its twelve-month moving average, the portfolio commitment will be restored. In instances where HA determines that the use of a category benchmark index is inappropriate for a particular portfolio holding, HA may use the price of the holding and its moving average to determine APRM trading signals.

**Strategy Goals and Risks.** APRM is intended to reduce the severity of intermediate-term and long-term portfolio drawdowns. To the extent that APRM succeeds in avoiding significant portfolio drawdowns, the portfolio may experience higher returns over time, although this is not the goal of the strategy. HA expects that APRM will limit portfolio declines

during adverse market conditions. Because the strategy requires category benchmark indices to rise above 12-month moving averages prior to restoring positions, HA expects the strategy will also lead to late participation in market recoveries following a lengthy decline. Over market cycles, HA expects the value added by avoiding much of major declines to exceed the value lost to late restoration of category commitments. The extent to which this is true in any given market cycle will depend on the rapidity and depth of the market's decline, and the rapidity of its subsequent recovery.

Portfolios using APRM might still experience significant declines in value when markets decline so quickly (i.e., market "crashes") that significant losses occur before a sell signal is generated by the strategy. Also, during periods of extreme market volatility, the APRM strategy may sometimes issue false trading signals resulting in lower returns than would be the case if using a buy-hold-rebalance strategy. Further, HA expects that APRM will also involve greater trading activity (and costs) than a buy-hold-rebalance strategy, particularly during periods of extreme volatility or when market trends are changing directions. Because of the increased trading and reallocation associated with APRM, the strategy may also result in earlier recognition of capital gains and losses than would be the case with a buy-hold-rebalance strategy.

**Effect on Portfolio Allocation Policy.** Portfolios using APRM are fully diversified over time. For example, a portfolio that is, when fully invested, 100% equities and alternative investments may experience an average allocation to fixed income securities of 25% - 35% over time, arising from temporary fixed income investment made when the strategy's signals suggest that equity or other categories should be sold. For that reason, for a client with specific goals and risk tolerance, HA may recommend an asset allocation policy with a greater commitment to equities and alternative asset categories if the client is using the APRM strategy than would be the case if the client were using the more traditional buy-hold-rebalance strategy.

### **Buy-Hold-Rebalance Strategy (BHR)**

Clients who do not wish (or are not able) to employ the APRM strategy described above may elect, instead, to employ a traditional buy-hold-rebalance (BHR) strategy. Using the BHR

strategy, HA invests client portfolios in accordance with their IPS Asset Allocation Strategy. HA then subsequently rebalances the portfolio to policy commitment levels when either market forces or client additions and withdrawals from the portfolio cause variances from policy commitment levels that exceed a defined threshold amount. The BHR Strategy will usually involve less trading than the APRM strategy and offers the opportunity to maximize long-term capital gains, but will expose the portfolio to more dramatic variations in value over time as it will participate fully in market advances and declines to the extent it is invested in various markets.

### **Portfolio Management to Suit Individual Needs**

Because of HA's multi-dimensional approach to portfolio design and risk control, clients have the ability to create a portfolio that reflects their financial needs, goals, risk tolerance, and beliefs. A portfolio can be simple, effective, and predictable in its performance relative to the broad markets, or as exciting, unpredictable, and potentially rewarding as desired. We'll help you design the portfolio that's best suited to your needs and philosophy.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Heling Associates, Inc. or the integrity of HA's management. Heling Associates, Inc. has no information applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Neither Heling Associates, Inc. nor Bruce R. Heling participate in any financial industry activities other than acting as a financial planner and investment adviser. Nor are either affiliated financially with any other company, firm, or individual active in the financial services industry except for the relationship that HA has with Schwab Institutional (a division of Charles Schwab & Co), discussed below under Item 12 – Brokerage Practices.

HA also licenses its portfolio management software from a Schwab Performance Technologies under a separate license agreement, for which HA pays license fees.

### **Item 11 – Code of Ethics**

Heling Associates, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at HA must acknowledge the terms of the Code of Ethics annually, or as amended. HA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Bruce R. Heling, HA's Chief Compliance Officer.

HA anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which HA has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which HA, its affiliates and/or clients, directly or indirectly, have a position of interest. HA's employees and persons associated with HA are required to follow HA's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of HA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for HA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of HA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of HA's clients. In addition, the Code requires pre-clearance of certain transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some

circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between HA and its clients.

When securities are traded across accounts, whether accounts of HA, its representatives, related persons, or clients, efforts are made to aggregate trades into block trades. When such trade orders are placed for equities, including exchange-traded funds, more than one trade is sometimes required to complete the order. In such cases, the average price of the total trade is calculated and assigned to the trade in each participating account so that the order of execution cannot impact the price obtained. Schwab does not provide commission or transaction fee discounts for block trades; these costs are assessed as if trades were placed independently for each account. HA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated substantially as specified in the initial trade order. If quantity adjustments are necessary due to changes in prices between order and execution (for market orders), HA may adjust the allocation of shares in a manner that, in the opinion of HA's Chief Investment Officer, best preserves the purpose of the trade. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is HA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. HA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another



person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

HA utilizes the services of a single custodial broker, Schwab Institutional (SI), a division of Charles Schwab & Co. (Schwab) to provide custodial services for client accounts and to execute trades for those accounts. HA has no authority to direct transactions to particular brokers or away from a custodial broker without the client's express approval, which may be oral.

HA continues to choose Schwab as its exclusive custodian because of its industry-leading efforts serving the needs of independent advisory firms such as HA. Principal among these are:

- The Schwab Institutional web site, providing computerized trading and account maintenance, is provided free of charge to advisors who manage assets through SI and maintain certain aggregate threshold balances for client accounts. While the value of these resources is unknown, and while use of these services benefits Schwab as well as advisors, HA considers its value to HA to be substantial.
- Availability of mutual funds on a “no-transaction fee” basis to investment advisors that are not so available to the retail public.
- Availability of load mutual funds on a "load-waived" basis.
- Access to research and other investment services, either at no cost to HA or at discounts from retail value.

Schwab's dedication to remain as a leader of custodians serving the advisory profession has brought about continued improvements in our ability to efficiently manage client accounts. We believe Schwab's commission and transaction fees to be competitive with those of other platform providers, and its trade execution and problem resolution processes to be of high quality. Any transaction costs incurred by clients over and above those that would be charged

by another discount brokerage firm are, in HA's opinion, more than offset by the benefits of its relationship with Schwab, described above.

Commissions and fees paid to Schwab by HA clients are in accordance with fee schedules established from time to time by Schwab. HA is unable to negotiate more favorable rates on behalf of its clients. Certain fees and/or commissions charged by Schwab may be lower for clients with aggregate account values exceeding certain thresholds, or who elect to receive statements and confirmations electronically, than for those who require paper documents.

HA will only be associated with client investment accounts when clients have duly executed a limited power of attorney in favor of HA that grants HA trading authority over assets in the account (discretionary authority). In these instances, HA has discretion to determine the identity and amounts of securities to be bought or sold in these client accounts. Clients may restrict the types of investments HA may make or the strategies it may use by means of limitations expressed in their Investment Policy Statement (IPS), brokerage account application, or both, as appropriate.

## **Item 13 – Review of Accounts**

### **Client Reports**

Monitoring and review are important contributors to financial success and close the loop on the planning process. In order to ensure that clients have the ability to closely monitor their financial and investment situation and progress, HA provides a variety of reports at various frequencies.

#### **Portfolio Snapshot Reports (monthly)**

At the end of each month, HA provides clients with a "snapshot" report, on a consolidated basis, of their accounts that are under HA's direct supervision. The snapshot report reflects summary activity in each portfolio account, allocation of the portfolio vs policy and prior month, portfolio returns for trailing one-, three-, and five-year periods vs each client's

custom benchmark return, and a list of the detailed holdings in all the managed accounts included in their portfolio.

### **Quarterly Summary Reports (quarterly)**

At the end of each quarter, HA provides clients with a summary report that includes information on consolidated portfolio holdings, income, realized and unrealized gains, portfolio performance, portfolio expenses, and capital flows.

### **Tax Preparer's Report (annually)**

Because custodians are now required to issue enhanced Forms 1099, separate reports for tax preparers are prepared only upon specific client request.

### **Account Reviews**

HA reviews client accounts monthly in conjunction with preparation of portfolio snapshot reports. HA also maintains spreadsheets that help it to identify when client portfolios require allocation rebalancing.

HA and clients review Investment Policy Statements (IPS) at intervals established at the time the IPS is adopted, or more frequently if client circumstances warrant.

HA and clients review financial plans at intervals mutually agreed upon by HA and individual clients.

### **Item 14 – Client Referrals and Other Compensation**

HA believes that clients who value HA's services will refer the firm to others who may be in need of the firm's services. Also, HA periodically surveys clients to determine if they are willing to provide references to prospective clients who wish to interview existing clients about their experience as HA's clients.

From time to time other professionals who provide allied services to HA clients will refer prospective clients to the firm. Similarly, HA refers clients to other professionals who provide allied services when clients ask for such referrals. In many cases, these are also professionals who provide referrals to HA.

Other than through such cross-referral relationships, HA does not compensate clients, allied professionals, or others for referrals. HA believes that referrals should be made out of concern for well-being of the party referred, not that of the professional to whom they are referred.

### **Item 15 – Custody**

Clients should receive statements at least quarterly from the broker dealers, banks or other qualified custodians that hold and maintain a client's investment assets. HA urges you to carefully review such statements and compare such official custodial records to the account statements and other reports that we may provide to you (described in Item 13 above). Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

HA receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold in accounts subject to HA's ongoing supervision. HA will not provide ongoing supervision of investments without such authority. In all cases, however, such discretion is to be exercised in a manner consistent with the client's signed Investment Policy Statement (IPS) unless specifically authorized or directed by the client to take non-conforming actions.

Investment guidelines and restrictions must be provided to HA in writing. Usually this is accomplished through the client's IPS. Clients may authorize or direct non-conforming actions orally so long as the authorization is noted contemporaneously in a memo by HA and followed up promptly with a signed directive or authorization from the client.

## **Item 17 – Voting Client Securities**

HA clients have the ability to delegate to HA the authority to vote on their behalf in shareholder matters of the companies (i.e., funds) in which they invest. HA maintains a Proxy Voting Policy that vests in HA's Chief Investment Officer (CIO) the authority (but not the obligation) to vote on behalf of the firm's delegating clients in a manner which he or she determines to be in the best interest of HA clients and investors in general. Ordinarily, this means casting votes in favor of reasonable fees, reasonable constraints on investment limitations, and competent management. In making voting decisions, the CIO may rely on fund management recommendations unless he or she has reason to believe such recommendations are self-serving or not in the interest of investors. The CIO maintains of record of proxies received and ballots cast which are available to clients upon request, as is HA's complete Proxy Voting Policy.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. HA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State-Registered Advisers**

### **Bruce R. Heling, CPA/PFS, CFP**

Mr. Heling, born March 28, 1949, received his bachelor's degree from the University of Wisconsin-Oshkosh in 1975. He became a Certified Public Accountant (CPA) in 1978, completed Certified Financial Planning professional training from the College for Financial Planning in 1988, and became a Certified Financial Planner certificant in 1989. Prior to becoming a personal financial advisor, Mr. Heling was employed by Price Waterhouse (1975 - 1979) as an auditor and as a senior tax accountant, Baker Perkins Inc. (1979 - 1984) as Treasurer, and Allen-Bradley Co. (1984 - 1985) as Manager of Treasury Operations. Mr. Heling was a financial planner and training manager with IDS Financial Services (currently Ameriprise Financial Advisors) from 1986 to 1988 and Vice President of KL Financial Advisors, Inc. from 1988 - 1991.

**Item 1- Cover Page**

**Bruce R. Heling**

Heling Associates, Inc.

18365 Tilton Lane

Brookfield, WI 53045-4237

(262) 893-9955

January 21, 2016

**This Brochure Supplement provides information about Bruce R. Heling that supplements the Heling Associates, Inc. Brochure. You should have received a copy of that Brochure. Please contact Bruce R. Heling at Heling Associates, Inc. if you did not receive Heling Associates, Inc.'s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Bruce R. Heling is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2- Educational Background and Business Experience**

Bruce R. Heling, CFP® CPA

Born 1949

Formal Education:

College: University of Wisconsin – Oshkosh, 1967-69,1973-75,

Degree: Bachelor's of Business Administration, 1975

Business Background:

1975-1979 Price Waterhouse & Co., Milwaukee, WI; Senior Tax Accountant

1979-1984 Baker Perkins, Inc., Saginaw, MI; Treasurer

1984-1986 Allen-Bradley Co., Milwaukee, WI; Manager of Treasury Services

1986-1988 IDS Financial Services (now Ameriprise);

Financial Planner / Training Manager

1988-1991 KL Financial Advisors; Vice President

Since 1991 Heling Associates, Inc. (formerly Moss Heling Associates, Inc.;

Principal Shareholder

## Explanation of Credentials

### **CERTIFIED FINANCIAL PLANNER™, CFP®**

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 62,000 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.

## **CERTIFIED PUBLIC ACCOUNTANT, CPA**

The Certified Public Accountant (CPA) designation is granted and administered by the American Institute of Certified Public Accountants. Licenses to practice are subject to state regulation.

To become a Certified Public Accountant in Wisconsin, a candidate must satisfy the requirements of the State Board of Accountancy:

- Complete a program of study in accounting at a college or university (in Wisconsin, a 150 credit program is required) and
- Successfully sit for the Uniform Certified Public Accountant Examination and an Ethics examination

To receive a license to practice as an Accountant, the Wisconsin Accountancy Board further requires that a candidate complete a minimum of one year of experience in public accounting or its equivalent.

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4- Other Business Activities**

Registered investment adviser representatives are required to disclose any material participation in any outside investment-related business that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 5- Additional Compensation**

Registered investment adviser representatives are required to disclose any economic benefit derived from any person *not a client* in exchange for providing advisory services. No information is applicable to this Item.

### **Item 6 - Supervision**

Registered investment advisers are required to explain how supervised persons are supervised. Heling Associates, Inc. is a one-person firm. Bruce R. Heling is the principal and sole employee of the firm. He supervises himself, a task which necessitates frequent self-evaluation and self-criticism.

### **Item 7- Requirements for State-Registered Advisers**

State registered investment adviser representatives are required to disclose all material facts involved in certain types of cases where they have been found liable in arbitration cases, civil, self-regulatory organization, or administrative proceedings, or in which they have been the subject of bankruptcy petitions. No information is applicable to this Item.