

## Firm Brochure: Form ADV-Part 2A



### Harvest Investment Consultants, LLC

Registered Investment Advisor

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Chief Compliance Officer

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**This Brochure provides information about the qualifications and business practices of Harvest Investment Consultants, LLC. If you have any questions about the contents of this Brochure, please contact Tina Gallo at 410-561-9040. 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.**

**Harvest Investment Consultants, LLC is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.**

**Additional information about Harvest Investment Consultants, LLC is available on the SEC's website at <http://www.adviserinfo.sec.gov>.**

**Date of Firm Brochure: February 2025**

## **2. Material Changes:**

### **Exhibit A – Summary of Material Changes**

Since the filing of our last annual update in March 2024, the following material changes have been made to this brochure.

Item 1 and 4 – As of October 1, 2024, Tina Gallo is the Chief Compliance Officer of Harvest Investment Consultants.

### 3. Table of Contents

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#### 4. Advisory Business

- a. Harvest Investment Consultants, LLC (Advisor or Harvest) has been in business since 1987. The previous legal names were Harvest Investment Consultants, Inc., and Hickory Capital Management, Inc. The principal owner is Michael J. Meily, Managing Member. The Chief Compliance Officer is Tina Gallo as of October 1, 2024.
- b. Harvest provides professional fee-based investment management services to private clients and various types of organizations. We provide portfolio design and active portfolio management for individuals and families, as well as professional investment management and consulting services for defined benefit plans, 401(k) retirement plans, endowments, and charitable organizations.

In addition to portfolio management, we offer personalized financial planning services to our clients, which can be billed at either an hourly rate or flat fee. The fee is disclosed to the client prior to such engagement (See Section 5 for more information on Fees and Compensation). Harvest utilizes a modularized approach to the financial planning process. Some areas in which we may assist clients include retirement planning, retirement income distribution planning, education planning, insurance analysis, charitable contribution planning, and estate planning. We approach the financial planning process in the same way as we handle our investment management services; we spend significant time with clients to fully understand their questions and objectives. Based upon the needs of each client, we seek to provide an unbiased perspective and planning guidance that is both practical and functional. We encourage our clients to review pertinent planning information with us at least annually, and whenever a significant life event or important change occurs.

- c. We focus on designing and managing portfolios using conservative, moderately conservative, moderate, moderately aggressive, and aggressive strategies. Which strategy or combination of strategies is used is based upon the needs of each client. Depending on the size and complexity of the portfolio, a portfolio could be managed in part or in whole by way of a risk-appropriate model. Portfolios may also be partly or wholly customized depending upon objectives, tax-sensitivity, or other client-driven needs.

Our portfolios may include a variety of security types such as individual corporate, government, and municipal bonds, stocks, mutual funds, exchange-traded funds (ETFs), REITs, Certificates of Deposit (CDs), hybrid securities and preferred stocks. We seek to manage risk on multiple levels and our investment portfolio focus is on absolute, not relative performance.

Clients may impose certain restrictions on the types of securities used or exclude securities of certain industries or the direct investment in specific companies. The Advisor, by way of investment advisor representative and portfolio management team develop an appropriate investment profile for each client, considering any unique needs or applicable restrictions to be followed. The client-specific profile in conjunction with interview data and risk tolerance communications will drive the portfolio design and implementation process at Harvest.

- d. **Retirement Plan Rollover Recommendations:** When Harvest Investment Consultants provides investment advice about your retirement plan account or individual retirement account (“IRA”) including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that Harvest Investment Consultants is a “**fiduciary**” within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”) as applicable, which are laws governing retirement accounts. The way Harvest Investment Consultants makes money creates conflicts with your interests so Harvest Investment Consultants operates under a special rule that requires Harvest Investment Consultants to act in your best interest and not put our interest ahead of you.

Under this special rule’s provisions, Harvest Investment Consultants must as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations (e.g., give prudent advice);
- Never put the financial interests of Harvest Investment Consultants ahead of you when making recommendations (e.g., give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that Harvest Investment Consultants gives advice that is in your best interest;
- Charge no more than is reasonable for the services of Harvest Investment Consultants and
- Give Client basic information about conflicts of interest.

To the extent We recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Harvest Investment Consultants please know that Harvest Investment Consultants and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Harvest Investment Consultants. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Harvest Investment Consultants.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with

the fiduciary status described , (ii) not recommend investments which result in Harvest Investment Consultants receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Harvest Investment Consultants and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to you regarding a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client’s needs, without regard to the financial or other interests of Harvest Investment Consultants or our affiliated personnel.

- e. Advisor does not participate in wrap fee programs.
- f. Assets under management as of December 31, 2024, are as follows:

Discretionary:	\$491,645,013
Non-Discretionary:	\$0
Total:	\$491,645,013

## 5. Fees and Compensation

- a. Investment management fees are paid quarterly in advance based on the market value of securities placed under supervision at the inception of the agreement and thereafter at the end of each calendar quarter. Fees are negotiable and Advisor can waive the account minimum. Such exceptions can be based on factors such as client relationships, complexity of account assets, and total amount of assets. Advisory fees range from .50% to 1.20%.

<u>Account Size</u>	<u>Fee</u>
Up to \$250,000	1.20%
From \$250,001 to \$2,000,000	1.00%
From \$2,000,001 to \$3,000,000	.80%
From \$3,000,001 to \$5,000,000	.60%
From \$5,000,001 to \$10,000,000	.50%
Over \$10,000,000	Negotiated

While some of our basic planning services are provided at no additional cost, areas of complex planning or comprehensive planning which require significant time are provided on either a flat fee basis or an hourly rate. Planning fees range from \$1,000 to \$2,500. Hourly rates range from \$250/hour to \$400/hour. Planning fees are provided and agreed upon before work commences.

- b. Investment management fees are deducted from client accounts or billed to the client by invoice on a quarterly basis. The client may select either method. **Harvest reserves the right to deduct the invoiced advisory fee from the account(s) under management for any clients on direct billing who have an outstanding balance due at the end of the calendar quarter.**

Financial planning fees are paid directly by check. Half of the fee is due at the inception of the financial planning project; the remaining balance is due upon satisfactory completion of the project.

- c. Advisor maintains an independent and unbiased focus by not receiving commissions, transaction related income, or soft dollars other than those falling under Section 28(e) of the Securities and Exchange Act of 1934 (“research and brokerage services” from Fidelity and Charles Schwab). The client may, in connection with our Advisory services, incur other costs such as custodial transaction costs and mutual fund/ETF internal expenses. (See Section 12 - Brokerage Practices).

When beneficial to the client, individual fixed-income and/or equity transactions may be placed through broker-dealers with whom Advisor and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers. The client generally will incur the transaction fee charged (“trade-away”) by their broker-dealer/custodian. These fees range from \$10 to \$15 per transaction regardless of the size of the investment positions put into the client’s account.

- d. Client fees are billed in advance. Clients may terminate the services of Advisor at any time with written notice. A client will receive a pro-rata refund for the unused portion of the management fee if the Advisory contract is terminated before the end of the billing period.
- e. Advisor receives no compensation for the sale of securities or other investment products, including asset-based sales charges or service charges from the sale of funds. Advisor does not reduce fees to offset qualified custodian commissions. Advisor has no material conflict of interest other than Section 4.D. (Qualified Plan Rollover to IRA). Clients have the option to purchase investment products the Advisor recommended through other brokers or agents not affiliated with the Advisor.

f. **MUTUAL FUND SHARE CLASS SELECTION**

Harvest Investment Consultants and its investment adviser representatives are not affiliated or registered with a broker-dealer firm. A matter of firm policy and because we are not registered with or affiliated with a broker-dealer, we do not accept and will not accept any broker-dealer transaction-based compensation (e.g., commissions, trails, revenue sharing, 12b-1 fees) due to or resulting from the sale or purchase of shares in mutual funds or 529 Plans by Harvest Investment Consultants’ clients for accounts subject to Harvest Investment Consultants’ investment advisory services.

Although we do not accept broker-dealer transaction-based compensation, it is our policy to proactively analyze and assess the expenses, costs, and fees our clients will incur in connection with our formulation of investment recommendations and the management of client accounts. Consideration will be given to circumstances such as the size of the transaction relative to any custodian-imposed ticket charge (transaction fee), intended holding period,

need for periodic rebalancing, availability at both custodians, and any additional purchases that may be made over time.

- I. **Recommend Lowest Cost Share Class Available.** Each share class of a mutual fund represents an interest in the *same portfolio of securities*. Therefore, when there is a lower-cost share class available that does not, for example, charge a 12b-1 fee (or charges a lower 12b-1 fee) or has a lower overall expense ratio, it is usually in the client's best interest to invest in the lower-cost share class rather than the 12b-1 fee paying share class or share class with a higher overall expense ratio because the client's returns would not be reduced by the 12b-1 fees and higher expenses. Harvest Investment Consultants, through its investment advisor representatives, shall recommend the client purchase the lowest cost share class that is reasonably available and most suitable for the client based on the facts and circumstances known to Harvest Investment Consultants and its representatives at the time the recommendation is made. Harvest Investment Consultants will document the reasoning behind share classes used in client accounts and portfolio models and/or strategies for client accounts. In the event that Harvest Investment Consultants believes that a more expensive share class may be more appropriate for one or more client accounts, or in a model portfolio, based upon information known to Harvest Investment Consultants, Harvest Investment Consultants will provide written notification to clients holding that mutual fund investment, to include the reasoning for such choice of share class. Should a client not agree with the more expensive share class, Harvest Investment Consultants will work with the client to provide an alternative agreeable solution.
  - a. **Exercise of Discretion.** This policy applies to accounts for which Harvest Investment Consultants is given discretionary authority to manage.
  - b. At this time, Harvest Investment Consultants does not allow the purchase of B and C mutual fund share classes in advisory accounts.

**Existing Mutual Fund Positions Transferred to Advisor.** Our policy is generally to liquidate mutual fund positions that are transferred into accounts subject to our investment advisory services and replace those investments with those on our approved list (see Item 8 below). In special circumstances when this is not in the client's best interest (e.g., would result in unacceptable levels of capital gains), the assigned investment adviser representative of Harvest Investment Consultants will review whether such mutual funds are in the best share class reasonably available and make recommendations in the best interest of such client under the facts and circumstances at the time. More specifically, if B and C mutual fund share classes, or a share class that is not the

least expensive class available are transferred into a new or existing Harvest Investment Consultants' managed account, each account/position will be reviewed to determine what action is in the client's best interest to position those mutual funds in the lowest cost share class such that they are in compliance with Harvest Investment Consultants' share class policy.

## **6. Performance Based Fees and Side-By-Side Management**

- a. There is no performance-based compensation and/or side-by-side management.

## **7. Types of Clients**

- a. Harvest provides asset management to individuals and families. In addition, Harvest serves organizations such as for-profit corporations and businesses as well as non-profit and charitable organizations. Professional investment management solutions and consulting for defined benefit plans, 401(k) plans, endowments, and trusts are also provided. Our minimum account/portfolio size for investment management \$250,000. The Advisor can waive the account minimum.

## **8. Methods of Analysis, Investment Strategies, and Risk of Loss**

- a. Analysis and Investment Strategies – Harvest seeks first to manage client investment risk levels by using risk profiles and by engaging the client in a discussion to understand risk tolerance, time horizon, income needs, and other material factors. Inherent in this approach is the understanding that portfolio management is not a “one size fits all” solution, and that each client's risk tolerance level needs to be correctly identified initially and reviewed periodically. Additionally, we go to great lengths to build diversification into each client portfolio.

Portfolio risk is managed with various research and analytical tools within the portfolio design. These tools will vary depending on the nature of the investment(s):

**Mutual Funds and Exchange-Traded Funds** – Harvest utilizes a screening process developed to identify a mutual fund “universe” deemed suitable for our clients. This universe is developed and maintained utilizing Fi360 Fiduciary Toolkit and Morningstar Advisor Workstation tools in conjunction with our own analytical techniques. Funds are analyzed for a variety of metrics including asset class concentration, historical performance and volatility, risk efficiency metrics, sector/industry exposure, geographic dispersion, style characteristics, peer group comparisons, management history, transaction costs, and internal costs.

**Fixed Income Securities** – Harvest follows an established discipline with respect to all fixed income investment decisions. When possible, we seek to employ a block purchase approach to achieve cost and efficiency benefits for our clients. We are not limited to custodian-supplied inventory, and in fact, we maintain multiple relationships with independent bond dealers across the country. In addition, Harvest uses a three-tiered approach towards fixed income research.

1. Independent Research and Credit Rating Services: Harvest utilizes independent rating

services that do not have any of the inherent conflicts of interest found in larger, more well-known ratings services such as Standard & Poor's or Moody's, which are actually paid by issuers to provide the credit ratings on bonds. Harvest also utilizes numerous independent investment research firms and industry publications to analyze individual companies and industries.

2. Bloomberg: Harvest utilizes Bloomberg to monitor market interest rates, track bond trading prices and to examine the pricing and ratings of newly issued bonds. This provides vital information as to the true "market value" of bonds since they do not transact on a centralized exchange and therefore do not have a single, readily available "price quote" similar to what can be found for a stock.

3. Internal Credit Analysis: In addition to the other research processes, Harvest performs an internal credit analysis on each firm prior to purchasing that entity's corporate bonds. The credit analysis process focuses on interest coverage, the liquidity levels and overall health of the firm's balance sheet.

**Stocks** – Harvest utilizes a number of equity research tools including professional subscriptions and publications that provide objective third-party research on individual stocks and macroeconomic trends. In addition, we maintain research subscriptions with private research firms for timely access to domestic and global business and economic data. As a firm, we seek to balance both bottom up (valuation based) metrics and top down (macro view) considerations when identifying individual stocks for purchase. More frequently than not, we will seek stocks that have excellent dividend payment histories, significant standing within a respective peer group or industry, and high-quality characteristics – purchasing those that we feel are attractively priced and/or have favorable momentum. On a much more limited basis, Harvest will explore opportunities across various segments of the market, including small, mid, and large cap companies that may not pay dividends for clients that are willing and able to take more risk in their portfolio.

- b. **Summary of Risks:** Regardless of the care and effort put into investment research and analysis, there is always a possibility that an investment outcome will be different than what is expected. Investing in securities always involves risk of loss. Additionally, during high levels of volatility or catastrophic market conditions such as those experienced in 2008 and most recently in 2022, it is possible for all asset classes to fall in value at the same time. It is also possible that an individual investment selection (stock, mutual fund, ETF) will perform worse than the broader markets and suffer significant losses creating new historical lows; reminding us that all that past performance is no assurance of future results. In the fixed income realm, risks of loss can come from deteriorating credit quality of the issuer, unexpected impairment affecting the issuer, loss of value on a holding due to rising interest rate trends, or overpayment on the purchase price of a bond such that a loss is incurred upon an early call by the issuer. We seek to mitigate these risks by focusing on security valuations, research and analysis, strategic portfolio diversification (across asset classes and securities), tactical adjustments, and active portfolio management decisions.

**All investing involves risk, including the loss of capital.** Investors should be willing to bear those risks. A client's account may change in value due to overall market fluctuations. General economic conditions, political developments, international events, and other factors may cause the overall

market to decline, which in turn may reduce the value of the client's account regardless of the relative strength of the securities held in the account. Securities prices can vary for reasons unrelated to matters directly affecting the issuers of the securities.

Common risks associated with investing include and may not be limited to the following:

- **Interest Rate Risk:** the risk that the value of a security may decline due to changes in interest rates.
  - **Credit Risk:** the risk that a bond issuer may not be able to make timely payment of interest payments and/or repayment of principal at maturity. (Also known as "default risk")
  - **Inflation Risk:** the risk that the increasing cost of goods and services erodes the purchasing power of your capital.
  - **Currency Risk:** world currencies float against each other. Currency risk is the risk that fluctuations in currency values could adversely impact investment returns as currency conversion rates occur during the holding period of an investment.
  - **Liquidity Risk:** is the risk that you may not be able to buy or quickly sell a given security at a price that is a reasonable representation of the investment's intrinsic value.
  - **Management Risk/Single Stock Risk:** also known as company risk, refers to the impact that bad management decisions, internal missteps, or external situations can have on a company's performance and as a consequence, the underlying value or stock price of the company.
  - **Trading Risk:** the risk that trading practices and portfolio management strategies may generate increased brokerage expenses over time. Such expenses, fees, and taxes can have a negative impact on performance over time.
  - **Geopolitical Risk:** is the risk that instability and/or unrest in one or more regions of the world will affect investment markets.
  - **Information Risk:** All investment professionals rely on research in order to draw conclusions about suitable investment options. Internal research is predicated on accurate external data and analyses. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- c. Limited security recommendations – Harvest is not limited to any security or investment instrument. Likewise, we receive no commission or incentives for the investments we recommend.

**Our investment programs may involve above-average portfolio turnover, especially during periods of elevated market volatility or rapidly evolving macroeconomic conditions. In turn, this could negatively impact the net after-tax gain experienced by an individual client in a taxable account.**

**Cash levels within client portfolios can vary significantly when new portfolios are being implemented as well as during periods of elevated market volatility.**

## 9. Disciplinary Information

- a. There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business, or the integrity of our management.

## **10. Other Financial Industry Activities and Affiliations**

- a. Harvest does not recommend or select other investment advisors.
- b. Harvest Investment Consultants will refer clients desiring insurance products to Harvest Insurance, Inc. (Harvest Insurance), a separate corporation and a related person under common ownership with the Advisor. Although the Advisor does not receive any direct compensation from any referral made to Harvest Insurance, certain Advisor's members, such as owners and licensed agents transacting business on behalf of Harvest Insurance will benefit economically through commissions as a result of such a referral. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. There is, therefore, an incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict. Harvest investment advisor representatives who are licensed insurance agents and transact business through Harvest Insurance, Inc. must disclose this conflict. Additionally, mitigation is provided by informing clients that they are under no obligation to purchase any insurance products from Harvest Insurance and are reminded that they may purchase equivalent or identical insurance products through a separate and unaffiliated insurance agency, at the same cost. Additionally, Harvest Insurance, Inc. refrains from advertising or marketing insurance products to Harvest Investment Consultants, LLC advisory clients. Finally, Harvest's investment advisor representatives do no advertising or marketing to investment advisory clients, and all insurance recommendations are made on a "needs based" approach if uncovered through the course of broader financial planning. Michael J. Meily is the president and sole owner of Harvest Insurance, Inc. As such he benefits from the insurance business he sells through Harvest Insurance, Inc., as well as any business placed through the company by the other licensed agents, David Baker, and Mark Pallack.
- c. As detailed in section b. above, certain employees of the Advisor are licensed as insurance agents or brokers of various insurance companies. Clients may engage these individuals in their separate capacities as licensed insurance agents to purchase insurance-related products. Clients are under no obligation to engage those individuals when considering implementation of any or all recommendations.

## **11. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

- a. Code of Ethics Summary: An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Harvest Investment Consultants, LLC, pursuant to SEC Rule 204A-1 has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflect its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Harvest's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors, and investment adviser representatives are classified as supervised persons. Harvest requires its supervised persons to consistently act in your best interest in all advisory activities. Harvest imposes certain requirements on its supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and

encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Harvest Investment Consultants, LLC. **If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.**

- b. Affiliated and Employee Personal Securities Transactions Disclosure: Harvest Investment Consultants, LLC or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the policy of Harvest that all people associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments.

To mitigate conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees, and their immediate family members (collectively, "access persons"):

- Access persons cannot prefer their own interests to that of the client.
- Access persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Access persons must request and receive pre-clearance for personal securities transactions for stocks, ETFs, options, corporate bonds, and other exchange-traded securities. If an access person is buying or selling a security that is being traded in client accounts on the same day, that access person if granted permission to enter the trade, must enter it after all client trading is completed for the day in the same security, or must "block trade" his/her order with the clients' buy or sell.
- Access 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. Moreover, access persons are prohibited from purchasing or selling any securities of any companies based on material non-public information, a.k.a. insider trading.
- Access persons are discouraged from conducting frequent personal trading.
- Access persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Harvest.
- Access persons must submit a summary of all buy and sell transactions for review to the Chief Compliance Officer at the end of each calendar quarter and must submit an annual holdings report at the beginning of each year.
- Access persons are prohibited from participating in initial public offerings (IPOs).

Any access or supervised person not observing our policies is subject to sanctions up to and including termination.

## 12. Brokerage Practices

- a. Harvest does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account

(see Item 15—Custody, below). Regulations require that your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We provide a choice of Fidelity Investments or Charles Schwab. Both are registered broker-dealers, members of SIPC, and qualified custodians. Harvest is independently owned and operated and is not affiliated with any of the custodians listed above. Each custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them to do so on your behalf. While we recommend the above-listed custodians, the client will ultimately decide whether to use a custodian and will open the required accounts with Schwab or Fidelity by entering into an account agreement directly with them. We do not open the account for you, although we will assist you in doing so. If you do not wish to place your assets with Schwab or Fidelity, then we cannot manage your account.

- b. In assisting clients in selecting a broker-dealer to execute clients’ trades, Advisor considers the full range and quality of a broker’s services including among other things the value of research provided, best execution capability, transaction costs, financial responsibility, quality of services, reputation and financial strength, breadth of financial products offered, professionalism, reliability, and responsiveness to Advisor. It is important to note that the Advisor receives no commissions for the purchase or sale of any retail or institutional products. The determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution for the managed account.

**Soft Dollar Benefits:** An investment adviser receives soft dollar benefits from a broker-dealer (or other third-party service provider) when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Harvest utilizes the services of Fidelity Investments and Charles Schwab and Company. While there is no direct linkage between the investment advice given to clients and Harvest’s use of Fidelity or Charles Schwab as qualified custodians, economic benefits are received by Harvest which would not be received if we did not provide advice and investment management on these platforms.

These benefits may be used for both research and non-research purposes and allow us to supplement, at no cost, our own research and analysis activities. These benefits include: a dedicated trade desk that services the program participants exclusively, a dedicated service group and an account services manager dedicated to Harvest’s accounts, access to a real-time order matching system, the ability to “block trade” clients’ positions, electronic download of trades, balances and position information, duplicate and batched client statements, confirmations, year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), and availability of third-party research and technology.

The benefits received in conjunction with using Fidelity and/or Charles Schwab as qualified custodians do not depend upon the number of transactions directed to or amount of assets managed at Fidelity and Charles Schwab.

Research obtained with soft dollars is not necessarily utilized for the specific account or custodian relationship that generated the soft dollars. Rather, research material from one qualified custodian, if deemed valuable, is used across our entire clientele as appropriate and prudent. Generally, the research we receive benefits all clients and assists us in fulfilling our overall duty as a fiduciary.

These arrangements may be deemed to create a conflict of interest to the extent that we would have to pay for some or all the research and/or services with “hard dollars” if we were unable to obtain the research and services in exchange for Harvest using specific qualified custodians for custody and trade execution for client accounts. That stated, client trades are always implemented based on the goals and objectives of the client and not on any research, products, or other incentives available.

- c. **Directed Brokerage:** We do not permit clients to direct brokerage because the Advisor will not be able to obtain volume discounts and favorable execution of transactions. This practice will cost the client money and in the opinion of the Advisor violates regulations of the Securities Exchange Commission by not obtaining best execution.
- d. **Aggregation of Orders:** Investment decisions for each of Advisor’s clients will be made by the Advisor independently from the investment recommendations or determinations made on behalf of other clients. Investments deemed appropriate for one client may also be deemed appropriate for other clients, so that the same security may be purchased or sold at or about the same time for more than one client. In those circumstances, Advisor may determine that orders for the purchase or sale of the same security for one or more of these clients should be combined. If so, the transactions will be allocated as nearly as practicable in proportion to the amounts desired to be purchased or sold for each client. Advisor will not aggregate transactions unless it believes that aggregation is in the best interests of the affected clients, is consistent with its duty to seek best execution for its clients and is consistent with the terms of its investment advisory agreement with each client for whom transactions are being aggregated.

### 13. Review of Accounts

- a. Every client is initially established within our Customer Relationship Management (CRM) system (hereafter referred to as Redtail), with standard demographic information as well as the Investment Policy Statement (IPS) that provides details including asset allocation targets, income needs, time horizon and any client-specific information that needs to be considered relative to the management of their investment portfolios. The Redtail CRM and Redtail Imaging databases serve as a perpetual repository for all forward client communications and notes.

Client portfolios are reviewed at an account level on a regular basis by the portfolio management team (includes the dedicated investment advisor representative, as well as other members of the investment committee). Additionally, prior to any purchases, targeted sales, or block purchase allocations, Advisor reviews client accounts to confirm such trades are within the client’s best interest and are appropriate given the stated parameters of the Investment Policy Statement.

As part of the review process our portfolio management process includes the use of technology systems, including Black Diamond Wealth Platform, Morningstar Advisor Workstation, Unitifi, and Fi360 Fiduciary Toolkit. Black Diamond and Morningstar are used for analysis of portfolio analytics such as asset allocation, sector exposure, credit quality and duration exposure, and risk-efficiency metrics. Unitifi is used to evaluate clients' financial risk tolerance and investment behavioral traits. Morningstar Advisor Workstation is also used for deeper review of mutual funds and ETFs. The Fi360 Fiduciary Toolkit is used for the oversight of peer group rankings and performance of mutual funds and ETFs.

Frequency of account reviews are based on the size and complexity of the account and the nature of the components used. Beyond regular periodic reviews, events such as triggered sell-stops, additional deposits to accounts or requested withdrawals from accounts by the client, fixed income maturities, or other material macroeconomic events, could trigger immediate review of client accounts.

For all purchases, a further review is made of client notes and history within Redtail to determine whether there are any recent changes or updates based on client/Advisor communications affecting the targeted portfolio purchases and/or the stated current asset allocation guidance, as well as a review of any client exception items that would make the target purchase inappropriate.

- b. A review is also triggered when a client informs the Advisor about changes to their financial objectives, needs, and goals.
- c. Clients are provided quarterly written or electronic reports consisting of an advisory fee invoice, portfolio performance review, and portfolio statement.
- d. Clients are also provided with access to their own personalized portal through Black Diamond to monitor performance, approximate asset allocation, transactions, and projected interest and dividends.

#### **14. Client Referrals and Other Compensation**

Harvest Investment Consultants does not receive compensation for client referrals.

#### **15. Custody**

- a. Harvest is not a broker-dealer and does not take possession of client assets. Our clients' assets are housed at one of two nationally recognized brokerage firms, otherwise known as custodians. The custodians maintain actual custody of your assets. They include Charles Schwab and Company and Fidelity Investments. Under government regulations, we are deemed to have custody of your assets if you authorize us to deduct our advisory fees directly from your account. As part of our billing process, you will receive a clear and understandable invoice from Harvest for each calendar quarter that you are billed, and the custodian will also be advised of the amount of the fee to deduct from your account(s).

You will receive account statements (not less than quarterly), trade confirmations, and tax documents directly from the custodian. They will be sent to the email address you provided (if you have elected E-delivery) or postal mailing address. You should carefully review those statements promptly when you receive them. We also urge you to compare the custodian's account statements with the periodic account statements and portfolio reports you will receive directly from Harvest. Our statements may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Should any meaningful discrepancy arise, please contact us immediately.

#### **16. Investment Discretion**

- a. When providing asset management services, Harvest maintains trading authorization over your account and provides management services on a discretionary basis. In granting Harvest discretionary authority, we will have the authority to determine the type of securities, the quantity of securities that can be bought or sold, the timing of such transactions, and the broker or dealer to be used without obtaining your consent for each transaction. The discretionary trading authority is limited by the agreed upon investment policy statement. It is the policy of Harvest to consult with you prior to making significant changes in the account even when discretionary trading authority is granted.

#### **17. Voting Client Securities**

- a. Harvest does not take authority, nor will we accept authority to vote client securities. We do not advise clients about a particular solicitation. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Our proxy voting policies and procedures are part of our Investment Advisory agreement. Clients may obtain a copy of our proxy voting policy and procedures upon request.

#### **18. Financial Information**

- a. Registered Investment Advisors are required to provide certain financial information and disclosures about our financial condition. Harvest Investment Consultants, LLC has no financial commitment that impairs the ability to meet contractual and fiduciary obligations and has not been the subject of bankruptcy proceedings.