Form ADV 2A Disclosure Brochure

March 30, 2020

SEC File No 801-65811

Harbor Financial Services, LLC
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Form ADV, Part 2A, our "Disclosure Brochure" or "Brochure" as required by Investment Advisors Act of 1940 is a very important document between clients and Harbor Financial Services, LLC.

This Brochure provides information about the qualifications and business practices of Harbor Financial Services, LLC. If you have any questions about the contents of this Brochure, please contact us at 888-397-7358

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.

Harbor Financial Services, LLC is a Registered Investment Adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship with us.

Additional information about Harbor Financial Services, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes Since The Last Annual Update

This section describes the material changes to our Form ADV since our last annual Disclosure Brochure dated March 29, 2019

Item 5 Fees and Compensation

1. Page 9: The Account Valuation methodology description section was expanded. Harbor made modifications to disclosures relating to Account Value methodology including possible conflicts of interest. Specifically, that while the use of short sales and margin may show a negative amount on the statement for the margined security, when the amount of the fee is based on the absolute market value, it could create a conflict of interest since your Financial Professional could receive a higher fee as a result of the higher absolute market value. Additionally, investments designated as Administrative-Only, while included in the Account Value for fee calculation purposes, creates a conflict in that the Financial Professional's advice may be biased as a result of their not being compensated on this asset.

2. Page 11: The Opportunity Asset-Based Fee Schedule section was amended to reflect a reduction in the fee schedule grid, as well as expanding Transaction Fee disclosures including a possible conflict of interest. Specifically, your Financial Professional will not be compensated for any Transaction Fee. Some Financial Professionals have agreed to pay for the transaction fees in Opportunity Accounts. This creates a conflict of interest since the Financial Professional has a financial incentive to not effect transactions in your account. However, Financial Professionals are fiduciaries and are required to place the best interests of their clients ahead of their own interests. Additionally, we periodically review your account(s) to ensure the transactions are consistent with your investment objectives.

3. Page 13: Financial Advisor Asset-Based Compensation disclosures were expanded including possible conflict of interest. Although Financial Professionals' payouts are uniform regardless of the transaction type or account program utilized, asset-based fees vary amongst the different account programs offered and therefore, the Financial Professional's gross fee compensation is generally higher when the account program fee is higher. In addition, because each advisory program offers a different bundle of services, the asset-based advisory fee paid by the client is allocated within the Firm differently from one program to another. Therefore, the Financial Professionals' compensation may be higher in a one program relative to another. This may cause a conflict to exist with respect to available investment options and the level of investment diversification a client may achieve. The Firm monitors the appropriateness of existing advisory accounts on an ongoing basis to ensure that Financial Professionals are making investment decisions that are consistent with clients' stated objectives.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss
The Firm discontinued the Sector Rotation Strategy and use of Wilbanks, Smith and Thomas for research signals. References to both were removed in the Investment Strategies section.

Item 14: Client Referrals and Other Compensation
This section was expanded to further disclose economic benefits from our clearing firm, Raymond James & Associates, including possible conflicts of interest as a result thereof.

In lieu of providing advisory clients with an updated Disclosure Brochure each year, we typically provide existing clients with this summary describing any material changes occurring since the last annual update. We will deliver the Disclosure Brochure or summary each year to existing clients within 120 days of the close of our fiscal year. Clients wishing to receive a complete copy of our then-current Disclosure Brochure may request a copy at no charge by contacting our Client Services department at 888-397-7358. Our Disclosure Brochure is also available through the SEC's Investment Adviser Public Disclosure website at https://adviserinfo.sec.gov/IAPD/IAPDSearch.aspx, SEC# 801-65811, upon request through your financial advisor, or on our public website: http://www.harborfs.com/disclosures.html.

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Item 4 Advisory Business

SERVICES

Harbor Financial Services, LLC ("HFS")
HFS began providing investment advisory services in 2006 and is organized as a limited liability company under the laws of the State of Alabama owned by Marc Whitehead, Brown Corp., and Darai Corp. With our home office based in Mobile, Alabama, we are also a registered broker dealer member of the Financial Industry Regulatory Authority Inc. ("FINRA") and the Securities Investor Protection Corporation ("SIPC"), a municipal advisor registered with the Securities and Exchange Commission ("SEC"), a licensed insurance agency, and a municipal securities dealer registered with the Municipal Securities Rulemaking Board ("MSRB").

HFS is registered with the SEC as an investment advisor and offers ongoing consultative investment management and services through investment advisory, portfolio management, and consulting services designed to help our Clients meet their financial objectives. This narrative provides clients with information regarding HFS and the qualifications, business practices, and nature of services that should be considered before becoming an advisory client of the Firm.

Harbor Financial Services offers two broad categories of fee-based programs- Advisory and Managed as follows:

1. INVESTMENT ADVISORY ACCOUNT PROGRAMS

Investment Advisory Account Programs ("Independent Programs"): Harbor offers discretionary or non-discretionary Independent Advisory account programs. These programs, unlike the managed account programs discussed below, offer you the opportunity to maintain full investment authority and direct the individual investments made within your account, or delegate investment discretion to your Financial Professional (provided they meet certain qualifications). If you wish to impose or modify an existing investment restriction, you may do so at any time by updating your advisory agreement.

Your Financial Professional works closely with you to create a personalized plan. Generally, your Financial Professional will gather important information regarding your financial situation, investment objectives and risk tolerance. To participate in the Program, you have an ongoing obligation to notify your Financial Professional if there are any changes to the information you have provided.

The Program offers you the ability to purchase stocks, bonds, certain mutual funds, exchange-traded funds and other securities. Financial Professionals use a wide variety of information and methodologies to formulate investment recommendations. For more information regarding methods of analysis, investment strategies, and risk of loss, please reference Item 8 later in this brochure.

- Ambassador Account Platform:
  The Ambassador Account is a wrap fee investment advisory account in which you are provided with ongoing investment advice and monitoring of securities holdings by your Financial Professional. Your Financial Professional will supervise your account on a non-discretionary basis (or advise on a discretionary basis, provided certain qualifications are met), according to your objectives. This account offers you the ability to pay an asset-based advisory wrap fee in lieu of a commission for each transaction. In such instance, Harbor and your Financial Professional will receive a portion of the wrap fee and a portion will be retained by the platform provider for administrative services.

  There is a minimum investment of $25,000 for Ambassador Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. ***We advise you to read the terms of the Ambassador application and the RJA Wrap Fee Program Brochure, from the platform sponsor, for specific details on this account.***

- Opportunity Account Platform:

  We also offer the Opportunity Account ("Opportunity "), an investment advisory account, on a non-discretionary or discretionary basis, provided certain qualifications are met. You will be provided with ongoing investment advice and monitoring of your securities holdings by your Financial Professional. Opportunity offers you the ability to pay an asset based advisory fee and a transaction fee (disclosed below in Item 5).

  There is a minimum investment of $25,000 for Opportunity Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. ***We advise you to read the terms of the Opportunity application for more details on this account.***

  The Opportunity account program is offered through Harbor's custodial arrangement with RJA, as the platform provider. RJA also generally supports custodial services, initiating and/or adjusting pre-existing periodic investment and disbursement/payment plans, cash disbursements, account inquiry services, billing and payment remittance, performance reporting, sales and trading, educational opportunities and training to Financial Professionals and other account maintenance services.

2. PORTFOLIO MANAGEMENT ACCOUNT PROGRAMS

As part of the services we offer we can, based on your needs, recommend that you utilize third-party sub-advisory portfolio management services. If you participate in our portfolio management services, we require you to grant discretionary authority to manage your account. Discretionary authorization will allow us to recommend, select and monitor asset allocation investment models or investment disciplines/target allocations provided by the platform sponsor and designated sub-advisor(s). Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. ***Our portfolio management accounts are sponsored by and offered through RJA. For further information on the following programs, we advise you to read the terms of the account agreements as well as the RJA Wrap Fee Program Brochure and*** **respective manager's Disclosure Document (ADV Disclosures)** ***for more details on each account.***

- Separately Managed Account Programs ("SMAs" or "SMA Programs"): In general, these accounts offer our clients the opportunity to select professional third-party money managers ("TPMMs") to individually manage or provide portfolio recommendations to their account(s). The TPMMs are made available through the below SMA Programs by the platform sponsor and may include RJA and other third-party investment management firms. Generally, these programs provide clients access to investment disciplines, respective target allocations, as well as TPMM selection and monitoring of investments in the Disciplines.

  A list of each SMA program accounts available through our firm is listed below.
  - Raymond James Consulting Services Program
  - Outside Money Manager Program
  - Raymond James Research Portfolios Program

- Raymond James Multiple Discipline Account (MDA) Program"

- Mutual Fund/Exchange Traded Fund ("ETF") Managed Accounts

- Freedom

  The Freedom Account is an investment advisory account which allocates your assets, through discretionary mutual fund or exchange traded fund ("ETF") management, based upon your financial objectives and risk tolerances. Your Financial Professional recommends, assists you in selecting and provides monitoring of asset allocation investment models developed and provided by the sub-advisor. Your Financial Professional receives a portion of the fee for services provided under the agreement.

- American Funds Model Portfolios
  The American Funds Model Portfolios Program ("American Funds Program") is a mutual fund advisory service that provides clients the opportunity to allocate assets among various asset classes that cover a variety of investment objectives (each an American Funds "Model"). Similar to the Freedom program, the American Funds Program is an asset allocation-based mutual fund investment program. However, unlike the Freedom program, the American Funds Program invests exclusively in American Funds mutual funds (similar to the Russell Program described below).

- Russel Model Strategies Program
  The Russell program is a mutual fund wrap advisory service that provides you the opportunity to allocate assets among various asset classes that cover a variety of investment objectives; it is an asset allocation-based investment program investing in Frank Russell mutual funds. Russell develops model portfolios and selects the underlying funds populating the respective model strategy provided by the platform sponsor. Your Financial Professional will assist you in selecting the appropriate strategy based upon your financial needs and investment objectives. Your Financial Professional receives a portion of the fee**.**

- Freedom UMA (Unified Managed Account)
  The Freedom UMA Account is an investment advisory account which, like the Freedom account, allows you to allocate your assets through discretionary mutual fund or ETF management, based upon your financial objectives and risk tolerances. Additionally, your assets may be invested through investment advisers ("Managers") registered with the SEC with which the program sponsor has entered into a sub-advisory agreement. Your Financial Professional receives a portion of the fee for services provided under the agreement.

INVESTMENT ADVISORY AND PORTOLIO MANAGEMENT account programs are either wrap or non-wrap fee as follows:

WRAP FEE PROGRAMS

- Advisory Account
  - Ambassador Account Program
- Mutual Fund/Exchange Traded Fund ("ETF") Managed Accounts
  - Freedom
  - Russell Model Strategies
  - American Funds Model Portfolios
- Separately Managed Accounts
  - Raymond James Consulting Services Program
  - Outside Money Manager Program
  - Raymond James Research Portfolios Program
- Raymond James Multiple Discipline Account
- Freedom UMA

The structure and nature of these accounts are considered to be wrap fee type programs in that commissions are not charged.

The client fee is paying for custody, trades, management expertise and reporting in a bundled format. In such instance, Harbor and your Financial Professional will receive a portion of the wrap fee, a portion will be retained by the platform provider for administrative services and management services if applicable. Your total cost of each of the services provided through these programs could be different if purchased separately. Cost factors may include your ability to:

- Obtain the services provided within the programs separately from any of the mutual fund sponsors,
- Invest and rebalance the selected mutual funds without the payment of a transaction charge, and
- Obtain performance reporting comparable to those provided within each program.

To compare the cost of a wrap fee program with a non-wrap fee portfolio management program, you should consider the frequency of trading activity associated with your selected investment strategies and the brokerage commissions charged by other broker-dealers, and the advisory fees charged by investment advisers.

Our wrap accounts are sponsored by and offered through RJA. For further information on the above listed wrap accounts, we advise you to read the terms of the account agreements as well as the RJA Wrap Fee Program Brochure and **respective manager's Disclosure Document (ADV Disclosures)** ***for more details on each account.***

NON-WRAP FEE PROGRAMS

In a non-wrap fee program, the Firm's advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which you shall also incur. We currently offer the following non – wrap advisory program administered by RJA, the platform provider.

- Opportunity Account

The Opportunity Account ("Opportunity") is an investment advisory account which offers you, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in your account and a transaction charge for each transaction.

There is a minimum investment of $25,000 for Opportunity Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for Opportunity Accounts are detailed in ITEM 5 – Fees and Compensation. ***We advise you to read the terms of the Opportunity account agreement provided by the platform provider.***

OTHER ADVISORY SERVICE ARRANGEMENTS

We provide investment advisory consulting and/or supervisory services involving an analysis of a particular investment, investment portfolio, or overall financial situation. We also provide financial planning and consulting services designed to meet your specific financial needs and objectives. The consulting services may include a review of your current financial situation, with an emphasis on portfolio analysis, estate planning, insurance planning, education planning, retirement planning, and/or capital needs planning.

When preparing a financial plan or analysis your Financial Professional gathers information deemed relevant to the particular service provided through personal interviews with you and through documents and/or client profile questionnaires. Based on each client's selection, each service may include an analysis of related financial information, which may, but is not necessarily required to, include items such as: current assets, income, investments, liabilities, short and long-term capital and liquidity needs, risk tolerance and short and long-term financial goals and objectives.

The decision to implement any recommendation rests exclusively with you, and you have no obligation to implement any such recommendations through us. When you select a third-party custodian, the firm will not have access to trade in your accounts in any way.

In addition to providing financial planning and investment consulting services to individuals and entities, we also provide pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

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

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

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

TYPES OF INVESTMENTS

We primarily offer advice on equity securities, corporate debt securities, certificates of deposit, municipal securities, investment company securities (including mutual funds and variable annuities), exchange traded funds, US Government securities, option contracts on securities, and interest in partnerships investing in real estate, oil and gas interests and others.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or types of securities. You must provide these restrictions to our firm in writing.

ASSETS UNDER MANAGEMENT

Our calculation of assets under management is based on assets under management effective March 9, 2020 as follows:

Type	**Amount**
Discretionary	**$199,404,703**
Non-Discretionary	**$302,043,500**
Total	**$501,448,203**

Item 5 Fees and Compensation

Our advisory fees as described herein are generally asset-based fees. In certain circumstances, we may charge hourly or fixed fees in lieu of asset-based fees.

You may negotiate fees with your Financial Professional. Factors involved in this negotiation may include the nature and size of your overall client relationship with the Financial Professional, the level and type of advisory or other financial services being or expected to be provided, and the Financial Professional’s willingness to reduce their compensation, often without the benefit of fee concessions from the platform provider. For certain clients with substantial assets being considered for or currently participating in an advisory program, the asset-based fee is negotiable, whereby the Financial Professional and the Firm and/or program provider share in the negotiated discount. Since fees are negotiable, they may vary on a case by case and client by client basis.

ASSET-BASED FEES

Fees charged for the previously mentioned account programs generally are calculated as a percentage of the account value as described below.

Billing methodology is dependent on the platform provider as defined in the advisory agreement. Please note that billing methodology impacts your fee calculation:

- **Account Value**

Account Value may be different than the asset value as reported on brokerage statements provided to clients. Account Value methodology is defined in the advisory agreements and may include the following:

  - Short sales and margin may be offered in an advisory program. While a negative amount may show on the statement for the margined security as the result of a lower net market value, when the amount of the fee is based on the absolute market value, it could create a conflict of interest where your Financial Professional benefits from the use of margin creating a higher absolute market value and therefore receive a higher fee.
  - Administrative-Only Investments may be designated in an advisory program. These investments will not be included in the Account Value when calculating applicable asset-based advisory fee rates. However, clients should understand that not being assessed an advisory fee introduces a conflict that the Financial Professional's advice may be biased as a result of their not being compensated on this asset.

The Firm monitors the appropriateness of existing advisor accounts on an ongoing basis to ensure that Financial Professionals are making recommendations that are consistent with client's stated objectives.

- **Aggregation of Related Fee-Based Accounts**

How a client's related accounts are combined determines the applicable program fee. You should consult with your Financial Professional to identify your eligible related accounts to aggregate your "relationship value" (some restrictions may apply to retirement accounts).

Where your account is debited directly for the advisory fee, you will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. We will not have access to your funds for payment of fees without your consent in writing. Further, the qualified custodian agrees to deliver a quarterly account statement directly to you. You are encouraged to review your account statements for accuracy.

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 the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Firm's advisory fee.

WRAP FEES

The applicable standard wrap fee schedules are disclosed in the client agreement. While the asset-based fees are negotiable, the standard fee rates are established by the platform provider. You understand that unless a lower rate has been negotiated, you should expect that your fees will be based upon the applicable standard fee schedule. ***Wrap fee programs are not offered directly from Harbor. We advise you to review your advisory agreement and the RJA Wrap Fee Program Brochure for a description of fees, including aggregation of related fee-based accounts, administrative-only investments, billing on***

cash balances, mutual fund share class conversions and other fee methodology.

NON-WRAP PROGRAM FEES

1. OPPORTUNITY ASSET-BASED FEE SCHEDULE

Fee-Based Relationship Value	Total Fee
Up to $1,000,000	2.15%
Next $1,000,000 to $2,000,000	1.90%
Next $2,000,000 to $5,000,000	1.65%
Next $5,000,000 to $10,000,000	1.40%
$10,000,000 and up	1.15%

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. Deposits or withdrawals amounting to at least $100,000 may result in a pro-rata advisory fee adjustments at the discretion of the Firm as defined in the agreement. In the event of termination, the Firm will refund you the prorated portion of the Advisory Fee for the quarter of termination.

In this program, you authorize and direct RJA as custodian to deduct asset-based fees from your account; you also authorize and direct the custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including fees paid to us.

You understand that your brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the days used to calculate fees. There is also a Transaction Fee (listed on trade confirmations under the title Trade Calculation as “Misc.”) for each executed trade, as follows:

All security types other than Open-end Mutual Funds incur a $15 per trade transaction fee.

Open-end Mutual Fund transaction fees* will be as follows:
Participating Funds (No Transaction Fee) $15**
Partner Funds $15
Non-Partner Funds (retirement account) $15
Non-Partner Funds (non-retirement account) $40
*Open-end Mutual Fund sells will not incur a transaction fee.
**A $15 credit will be applied to client accounts who purchase a No Transaction Fee- eligible mutual fund.

Your Financial Professional will not be compensated for any Transaction Fee. Some Financial Professionals have agreed to pay for the transaction fees in Opportunity Accounts. Where the Financial Professional has agreed to do so, your Opportunity Account Agreement will specify such. The agreement to pay for the transaction fees creates a conflict of interest since the Financial Professional has a financial incentive to not effect transactions in your account. However, Financial Professionals are fiduciaries and are required to place the best interests of their clients ahead of their own interests. Additionally, we periodically review your account(s) to ensure they the transactions are consistent with your investment objectives.

Transaction Fees are established by the platform provider and are subject to change without prior notice. You understand that no-load funds may be transacted directly with the sponsoring fund organization with no Transaction fee. For a complete listing of Participating Funds and Partner Funds see http://www.raymondjames.com/legal- disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/networking-and-service- partners.

The Transaction Fees set forth above include all execution charges except: (1) certain dealer-markups and odd lot differentials, taxes, exchange fees, and other charges imposed by law with regard to any transactions in the Account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

OTHER INVESTMENT ADVISORY FEE ARRANGEMENTS

On occasion, in lieu of an asset-based fee, our Financial Professionals may charge a negotiable fixed fee or hourly fee. The fee and fee paying arrangements will vary on a case by case and client by client basis, but be disclosed in advance of advisory services being rendered in the Investment Advisory Agreement. Fees charged for these services may depend upon the anticipated time allocated to provide the services requested, the complexity of the plan or the individual client's financial situation. It is possible that a Client may pay more or less for similar services than may be available through another firm.

Harbor or the client may terminate the advisory consulting agreement as stated in the investment advisory consulting services agreement by providing notice of such election to the other party. Investment programs involve risk and there is no guarantee that utilizing the financial planning and/or advisory consulting services of Harbor will produce favorable results.

ADDITIONAL FEES AND EXPENSES

Our fees are exclusive of non-Harbor brokerage commissions, transaction fees, and other related costs and expenses which you may be charged such as IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities. A list of RJA. other account service charges can be viewed online at https://www.raymondjames.com/wealth-management/why-a-raymond-james-advisor/client-resources/client-account-fees-and-charges or obtained from your Financial Professional.

You also 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.

You may terminate the investment advisory or management agreement by providing notice to our firm in accordance with the notice provisions in the advisory agreement you sign when you engage our firm. You will incur a pro rata charge for services rendered prior to the termination of the investment advisory agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees. There is no prorated refund of Transaction Fees in Opportunity accounts.

MUTUAL FUNDS SUBJECT TO 12b-1 FEES OR SALES CHARGES

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. Certain open-end mutual funds that may be acquired by clients, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Trails are included in the calculation of the annual operating expenses of a mutual fund and are disclosed in the fund prospectus. If received on RJA sponsored advisory accounts with fee-eligible mutual funds, trails will be credited bi-monthly (as applicable) to the client's account(s) to offset advisory fees incurred by clients. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

Mutual funds available for purchase in advisory accounts are limited to those companies with which the program provider has a selling agreement. In some instances, a fund company may agree to allow purchases of institutional share class of a fund for the Freedom program accounts, while restricting individual client-directed purchases of the same share class in other Advisory accounts, such as Ambassador accounts. In some cases, mutual fund share classes will automatically convert to a lower cost share class by the program provider or by the fund company's directive. In addition, some shareholders may qualify to invest in share classes that are intended for specific types of investors, such as retirement plans, by prospectus.

The various fees, transaction charges and fund share classes with lower internal expenses presents a conflict of interest. Your Financial Professional has a financial incentive to select no transaction charge funds with higher annual expenses than funds that do assess transaction charges but cost you less in annual expenses. Harbor urges clients to discuss with their Financial Professional whether lower-cost share classes are available and appropriate given their anticipated time horizon, the advisory fee and whether the projected expenses could adversely affect long-term performance.

Clients considering transferring mutual fund shares to or from a program provider should be aware that if the firm from or to which the shares are to be transferred does not have a selling agreement with the fund company, the shareholder must either redeem the shares (paying any applicable contingent deferred sales charge ("CDSC") and potentially incurring a tax liability) or continue to maintain an investment account at the firm where the fund shares are currently being held. Clients should inquire as to the transferability, or "portability", of mutual fund shares prior to initiating such a transfer.

Further information regarding fees assessed by a mutual fund, variable annuity, or UIT is available in the appropriate prospectus, which you may request from your Financial Professional. You may purchase these securities outside of an advisory account and therefore avoid paying an additional advisory fee. However, when these assets are purchased in a non-advisory account, you would not receive ongoing advice from your financial advisor.

ADDITIONAL BUNDLED SERVICE COST CONSIDERATIONS

Your total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include your ability to:

- Obtain the services provided within the programs separately with respect to the selection of portfolio securities,
- Invest and rebalance the selected mutual funds without the payment of a sales charge, and
- Obtain performance reporting comparable to those provided within each program.

When making cost comparisons, you should be aware that the combination of multiple mutual fund investments, advisory services, and custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or you otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or you otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

The client's Financial Professional may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to the Financial Professional which may be more than the Financial Professional would receive under an alternative program or if the client paid for these services separately. Therefore, your Financial Professional may have a financial incentive to recommend a particular account program over another. The Firm monitors the appropriateness of existing advisor accounts on an ongoing basis to ensure that Financial Professionals are making investment decisions that are consistent with client's stated objectives.

FINANCIAL ADVISOR ASSET-BASED COMPENSATION

Financial Professionals are typically compensated based on their annual gross revenue generation, whereby higher gross revenue will generally result in higher payouts. The Firm generally pays its Financial Professionals under a payout grid or flat fee formula. As a result, a financial advisor's payout is not dependent (or variable) upon the type of transaction entered into with, or product/service provided to, any client. Although the payout is uniform for a Financial Professional regardless of the transaction type or account program utilized, clients should understand that asset-based fees vary amongst the different account programs offered by the Firm. As a result, the Financial Professional's gross fee compensation is generally higher when the account program fee is higher. In addition, clients should understand that the payout differs amongst Financial Professionals.

Your Financial Professional may elect to recommend a program or investment strategy based on his or her understanding of and familiarity with the portfolio construction or services offered within a particular program. Because each advisory program is unique and offers a different bundle of services, the asset-based advisory fee paid by the client is allocated within the Firm differently from one program to another. The compensation received by the Financial Professional may be higher in a particular program relative to another. Therefore, this may cause a conflict to exist with respect to available investment options and the level of investment diversification a client may achieve. The Firm monitors the appropriateness of existing advisory accounts on an ongoing basis to ensure that Financial Professionals are making investment decisions that are consistent with clients' stated objectives.

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Our firm is also registered as a securities broker-dealer (member of the Financial Industry Regulatory Authority, Municipal Securities Rules Making Board, and the Securities Investor Protection Corporation) and persons providing investment advice on behalf of our firm may also be registered representatives in our firm's capacity as a broker-dealer. Our firm and our registered representatives will receive commission and/or transaction fee compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products NOT transacted in Client's advisory account.

Commissions earned from the sales of securities are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to recommend brokerage accounts and effect securities transactions for the purpose of generating commissions where similar investments could have been recommended to you in your advisory account.

In advisory accounts, we will, when appropriate, recommend the purchase of no-load mutual funds. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm and you have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with our firm.

Our firm also provides investment banking and underwriting services to government agencies and municipalities to assist them in issuing bonds. The firm receives compensation from the issuers of the bonds. The firm may have a direct financial interest in having clients invest in the bonds. However, you are under no obligation, contractually or otherwise, to purchase bond issues underwritten by our firm.

In addition, our firm is also licensed as an insurance agency and persons providing investment advice on behalf of our firm may also be licensed as insurance agents. We will earn commission-based compensation for selling insurance products to you. Insurance commissions are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through our firm or our insurance agents.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

Harbor does not currently charge performance-based fees.

Item 7 Types of Clients

Harbor generally provides investment advisory services to individuals, corporate pension and profit -sharing plans, trusts, estates, charitable organizations, foundations, endowments, corporations and other business entities. The majority of our clients are retail clients that are not high-net-worth individuals.

Account minimums vary by program or services as described in the "Advisory Business" section of this brochure.

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

The investment programs and strategies recommended to clients are based upon the client’s investment objectives, financial situation and tolerance for risk, as identified during consultations with our financial advisors and other representatives. It is important for an investor to review investment objectives, risk tolerance, tax objectives and liquidity needs with their Financial Professional prior to selecting an investment product, program or strategy. All investments carry a certain degree of risk and no one particular security, investment product, investment style or portfolio manager is suitable for all types of investors.

Financial Professionals recommend and offer a broad spectrum of investment products, programs and strategies. The method of analysis and investment strategies recommended will vary based upon the individual Financial Professional making the assessment and providing the advice. Not every Financial Professional has the same experience when managing investments and you should carefully consider this when choosing an advisory program. Your Financial Professional’s Form ADV, Part 2B Supplemental Brochure provides additional background on their experience.

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

- Fundamental Analysis - Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- Technical Analysis - Technical analysis involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.
- Short Sales - A securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price. If the stock goes too high, the short seller will have to deposit more money or cover the short by buying the stock and may ultimately have to pay for a loss out of pocket.
- Margin Transactions - A securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. The risk to the investor is that if the transaction they place on margin goes against them, they will have to deposit money or securities possibly over and above the original transaction amount.
- Option Writing/Trading - A securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option. Selling an option exposes an investor to the full risk of price movement in the underlying security, but only offers a relatively small potential reward in the form of a cash premium.
- From time to time, we may purchase research, purchase and sale recommendations, and/or model portfolios from third parties. These recommended portfolios do not constitute investment advice from the third party, and it is at Harbor's discretion whether to follow these recommendations and/or recommend them to you on a non-discretionary basis. At present, the firm does not purchase research, signals or model portfolios from third parties, however this is subject to change. Our Financial Professionals may subscribe to services to assist them in analyzing their investment recommendations to you.

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

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. RJA uses the first in, first out (FIFO) accounting method as the default method for calculating the cost basis of your investments. Please discuss with your Financial Professional to determine the default method to be used for your accounts. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

RISK OF LOSS

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

All investment programs have certain risks that are borne by the investor. Among others, investors face the following risks:

Interest-rate Risk: Fluctuations in interest rates may cause investments to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk: When any type of inflation is present a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk to profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, U.S. Treasury securities are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profit loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Correlation Risk: This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different that the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.

Counterparty/Default Risk: This is the risk that a party to a contract will not live up to (or default on) its contractual obligations to the other party to the contract.

Valuation Risk: This is the risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.

Tax Risk: This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment.

Cybersecurity Risk: Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data, the inability to access electronic systems (“denial of services”), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause an investment fund, the advisor, a manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss.

Technology Risk: Harbor must rely in part on digital and network technologies to conduct its business. These technologies include those owned or managed by Harbor as well as those owned or managed by others, such as RJA and other financial intermediaries used by Harbor to provide services and maintain its business operations. These technology systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond Harbor’s or its service providers’ control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and cold result in among other things, financial loss, reputational damage, regulatory penalties or the inability to conduct business.

RECOMMENDATION OF PARTICULAR TYPE OF SECURITIES

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend equity securities, corporate debt securities, certificates of deposit, municipal securities, investment company securities (including mutual funds and variable annuities), exchange traded funds, US Government securities, options contracts on securities, and interest in partnerships investing in real estate, oil and gas interests, and others. However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

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

Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Certificates of deposit are generally the safest type of investment since they are insured by the federal government. However, because the returns are generally very low, it's possible for inflation to outpace the return. Likewise, *US Government securities* are backed by the full faith and credit of the United States government but it's also possible for the rate of inflation to exceed the returns.

Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

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

A *variable annuity* is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single- payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point the contract will terminate and the remainder of the fund accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as**: mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features,** all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds, and mutual funds do. Some variable annuities offer "bonus credits". These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges) the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

Options give an investor the right to buy or sell a stock at some future time at a set price. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited. Options are traded on an exchange and are not issued by the underlying company. Also, the lifetime of an option is measured in months.

A *limited partnership* is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst-case scenario for a limited partner, they lose what they invested.

RISK CONSIDERATIONS FOR MANAGED ACCOUNTS OFFERED THROUGH RAYMOND JAMES

Please see the respective manager's Disclosure Document (ADV Disclosures) and/or Raymond James program disclosure document for a description of the risk considerations for PORTFOLIO MANAGEMENT ACCOUNT PROGRAMS, as described in Item 4 Advisory Business above.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

The following information about the client is communicated to the SMA Manager (portfolio manager) of a Portfolio Management Account Program, if applicable, or collected by the client's financial advisor at the time the account is opened: name, social security/tax identification number, address, phone number, employer, occupation, date of birth, number of dependents, net worth, annual income, investment experience, retirement status, investment objective, risk tolerance and timer horizon. The client is requested on an annual basis to update this information, which, if applicable, is promptly forwarded to the client's discretionary SMA Manager (where applicable).

Item 9 Legal & Disciplinary Information

Below is a summary of the material legal and disciplinary events against Harbor Financial during the last ten years. As of the date of this brochure, there are no such reportable events for our senior management and those supervisory individuals responsible for oversight of the general investment advice provided to our clients.

Our firm operates as both a broker-dealer and as an investment adviser. The disciplinary reporting requirements for broker-dealers and investment advisers differ in some ways, with FINRA requiring broker-dealers to report on matters (for example, pending complaints and arbitrations) which are not required to be reported by investment advisers. The information in this report is not the only resource you can consult. You can access additional information about our firm and our management personnel on the SEC's website, located at http://www.adviserinfo.sec.gov, as well as FINRA's website, at https://brokercheck.finra.org/.

Harbor Financial is subject to the regulatory oversight of the SEC, FINRA, the Department of Labor and other federal and state regulatory agencies. No regulatory enforcement actions have been brought against Harbor Financial by any of the aforementioned regulatory authorities concerning the firm's or its management's provision of advisory services.

Please note that in each instance described below, the firm entered into the various orders, consents and settlements without admitting or denying any of the allegations.

FINRA LETTER OF ACCEPTANCE, WAIVER AND CONSENT

During March 2012, we submitted a Letter of Acceptance, Waiver and Consent ("AWC") to Financial Industry Regulatory Authority ("FINRA") to settle allegations of rule violations. Harbor failed to establish and maintain a supervisory system reasonably designed to achieve compliance with NASD Conduct Rule 2440 (Fair Prices and Commissions), resulting in customers being charged unfair and unreasonable commissions on equity transactions, in violation of NASD Conduct Rules 2440, 3010 and 2110, FINRA Rule 2010 and NASD IM-2440- 1.

Harbor accepted and consented, without admitting or denying the findings, and solely for the purposes of the proceeding brought by FINRA. As a result, Harbor had to pay a $5,000 fine and restitution of

$19,152.70 plus interest.

Item 10 Other Financial Industry Activities and Affiliations

REGISTRATION AS BROKER DEALER, MUNICIPAL DEALER AND INSURANCE AGENCY

In addition to being registered as an investment adviser, our firm is also registered as a broker-dealer and associated persons of our firm are also registered representatives with our firm in its capacity as a broker-dealer. We are also a licensed insurance agency and associated persons of our firm are licensed insurance agents. Our firm and our associated persons earn compensation for selling securities and insurance products to you. Please refer to the fees and compensation section for further information and conflicts of interest including the compensation we earn as a result of these businesses.

Our firm also provides investment banking, underwriting, and advisory services to government agencies and municipalities to assist them in issuing bonds. Such bonds, although not available for a client's advisory account(s), may be available for a client, which would benefit the firm in connection with the services we provided to the issuer and the compensation that the firm receives from the issuers of the bonds. The firm may have a direct financial interest in having clients invest in the bonds.

Clients should be aware that the potential for receipt of any additional compensation creates a conflict of interest that may impair the objectivity of our firm, our management persons, or our employees. There are no referral fee arrangements between the accounting firm and HFS for the recommendations mentioned above. No HFS client is obligated to use the accounting firm for any accounting services. Further, the services provided by this firm do not include the authority to sign checks or otherwise disburse funds on behalf of any of our advisory clients.

Item 11 Code of Ethics, Participation

DESCRIPTION OF OUR CODE OF ETHICS

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics.

Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting our Compliance Department at 888-397-7358.

PERSONAL TRADING PRACTICES

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this Brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

As an SEC registered broker-dealer, Harbor Financial is often utilized to execute portfolio transactions for clients on an introducing basis. In platforms offered through RJA, custodial services are provided by our clearing firm and Harbor will use RJA for trade execution services. Our firm receives additional revenue from RJA for accounts they custody. In addition, RJA sponsors compliance events. (See Item 14 for more detail).

While we believe that our firm and RJA provides best execution, commission rates/fees charged by RJA may be higher or lower than those charged by other broker-dealers. In determining whether our firm and RJA provide best execution, we consider factors that we deem relevant, including among others:

- the value of research provided,
- reputation,
- execution capability,
- commission rates,
- responsiveness;
- technology;
- the quality of service rendered.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered.

BROKERAGE FOR CLIENT REFERRALS

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

DIRECTED BROKERAGE

Persons providing investment advice on behalf of our firm who are registered representatives will recommend our firm to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from our firm unless we provide the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through our firm or through approved custodians. It may be the case that our firm or approved custodians charge higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through our firm as broker dealer, these individuals (in their separate capacities as registered representatives of our firm) may earn commission-based compensation as result of placing the recommended securities transactions through our firm. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by registered representatives who are affiliated with our firm. Not all advisers require their clients to direct brokerage.

BLOCK TRADES

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). When block trading, we will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

In the event orders are not block traded, clients may receive different prices for the same securities transactions. Furthermore, you may not be able to buy or sell the same quantity of securities and may be charged higher fees or commissions, than if transactions were aggregated.

Item 13 Review of Accounts

The Financial Professional assigned to you is primarily responsible for reviewing your account and ensuring its continuing stability with respect to your investment objectives, time horizons and risk parameters. Financial Professionals of our firm will individually consult with you in order to better understand your investment goals. Financial Professionals generally monitor accounts on a continuous basis and conduct an internal review periodically. Third party accounts are monitored on a periodic basis.

You are responsible for promptly bringing to your Financial Professional's attention any material change in your investment objectives or financial condition. Items that could trigger a review include, but are not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

Since investment goals and financial circumstances change over time, you should review your investments at least annually with your Financial Professional. You are under no obligation to employ a particular product, advisory service or investment strategy.

Managed account clients may receive quarterly Portfolio Evaluation Reports produced from account data submitted directly by the clearing broker-dealer providing custodial services for the accounts.

We will also arrange for you to receive the following reports on relevant activity in the account:

1. Trade Confirmations reflecting all transactions effected through our clearing firm;
2. Monthly statements itemizing all transactions in cash and securities and all deposits and withdrawals of principal and income during the preceding calendar month and listing securities held in the account where there is no monthly activity.

Item 14 Client Referrals and Other Compensation

We and/or our Financial Professionals also receive benefits such as assistance with conferences and educational meetings from product sponsors. In addition, the firm and/or our investment adviser representatives may receive cash and non-cash marketing assistance from product sponsors.

Additionally, we receive economic benefits, or additional compensation, from our clearing firm ("RJA") in connection with providing certain other advisory and brokerage services to you. Our receipt of these economic benefits raises potential conflicts of interest. In providing additional cash compensation, RJA most likely considers the amount and profitability to RJA of the assets in, and trades placed for, our client accounts maintained in those RJA programs or products. In order to continue to receive the additional compensation from RJA, we therefore have an incentive to recommend RJA programs or products. RJA provides the Firm with cash and non-cash economic benefits such as:

- 0.25% on Security Based Loans (SBLs) on all accounts, including advisory accounts. Our Financial Professionals receive no part of this additional compensation.
- A fixed monthly business credit, which remains discretionary and can be changed. The Firm may receive limited benefit from advisory business; however, the credit has remained unchanged for several years without consideration of increases in advisory revenue. Financial Professionals receive no part of this additional compensation.
- Cash and non-cash sponsorship assistance with the Firm's annual conference/educational meeting. Our Financial Professionals attend the conferences.
- Training and Onboarding support. Our Financial Professionals have access.
- Marketing support. Our Financial Professionals have access.
- Practice management support. Our Financial Professionals have access.
- Client management support. Our Financial Professionals have access.
- Succession planning support. Our Financial Professionals have access.

The Firm and Financial Professionals pay a monthly technology fee to RJA, but could be receiving additional benefit beyond what we pay for services such as:

- Research. Our Financial Professionals have access.
- Technology for the Firm (Compliance systems, CRM, Client Reporting, Hardware/software support, Mobile access app). Our Financial Professionals have access.
- Technology for our Clients (Online Client access, File sharing, Security reimbursement policy, Mobile access app)

These arrangements do not cause our clients to pay any additional transaction fees beyond those that are traditionally charged by our firm and/or other service providers and our receipt of such compensation does not diminish our duty to act in your best interests, including to seek best execution of trades for your accounts.

We may compensate an individual (Solicitor) for referring clients to the firm. The compensation arrangement surrounding the payment for client referrals to our firm would be in compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940. A client who is solicited will receive an additional disclosure document specifically describing the arrangement and the compensation paid to the solicitor. The solicitor's fee will be based on Harbor's normal fee schedule; you will not be charged any additional fees or expenses as a result of the referral.

As disclosed under the "Fees and Compensation" section in this Brochure, we are also registered as a broker- dealer and licensed as an insurance agency. Persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We also may permit you to maintain standing letters of authorization (SLOA) on your account with a qualified custodian. If you maintain an SLOA with a qualified custodian, we are deemed to have custody of your assets. Your funds and securities will be held with the independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period.

You should carefully compare any statements you receive from us with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact the compliance department at 888-397-7358.

Item 16 Investment Discretion

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

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

Should you wish to impose or modify existing restrictions, or the financial condition or investment objectives have changed, you should contact your Investment Advisor Representative or our Compliance Department at 888-397-7358.

Item 17 Voting Client Securities

PROXY VOTING

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

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

Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than $1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Item 19 Additional Information

YOUR PRIVACY

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

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

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact the compliance department at 888-397-7358, if you have any questions regarding this policy.

CLASS ACTION LAWSUITS

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

Should we receive written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by you, we will forward all notices, proof of claim forms and other materials to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward the information electronically.

TRADE ERRORS

In the event a trading error occurs in your account where the firm is involved in the execution of trades, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

HARBOR FINANCIAL

11 N. Water Street Ste 21290
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Fax (251) 281-2007

FACTS	WHAT DOES HARBOR FINANCIAL SERVICES, LLC DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal Information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ▪ Social Security number and investment experience ▪ Assets and income ▪ Account balances and account transactions ▪ When you are no longer our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons Harbor Financial Services chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Harbor Financial Services share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our compliance with rules and regulations— information about your transactions and communications provided to non-affiliated brokerage or investment advisory firms when required to comply with supervisory rules and regulations of HFS independent advisors	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No

For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Who we are	
Who is providing this notice?	Harbor Financial Services, LLC

What we do	
How does Harbor Financial Services protect my information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Harbor Financial collect my personal information?	We collect your personal information, for example, when you ▪ Open an account or perform transactions ▪ Make a wire transfer or tell us where to send money ▪ Tell us about your investment or retirement portfolio We also collect personal information from others such as credit bureaus, affiliates and other companies
Why can't I limit all sharing?	Federal law gives you the right to limit only ▪ Sharing for affiliates' everyday business purposes- information about your creditworthiness ▪ Affiliates from using your information to market to you ▪ Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

How do I limit sharing?	▪ Call 888-397-7358 - our menu will prompt you through your choice(s) or ▪ Visit us online: www.harborfs.com Please note: If you are a new customer, we can begin sharing your information from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account.

Definitions	
Affiliates	Companies related by common ownership, control, or directly involved in execution and settlement of client transactions. They can be financial and non financial companies. *Our clearing firm, Raymond James & Associates is directly involved in execution and settlement of client transactions.*
Nonaffiliates	Companies not related by common ownership, control, or directly involved in execution and settlement of client transactions. They can be financial and non financial companies. ▪ *Non-affiliates we may share information with include your independent Financial Professional's brokerage or investment advisory firm.*
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ▪ *Our joint marketing partners may include banks and credit unions*

Other important information

Financial Professionals ("FA") may change brokerage and/or investment advisor firms and nonpublic personal information collected by us and your FA may be provided to the new firm so your FA can continue to service your account(s). If you do not want your FA to provide this information to the new firm, please call 888-397-7358 to opt out of this sharing. Opt in states, such as California and Vermont and others, require your affirmative consent before the advisor can provide your nonpublic information to the new firm. You can provide or withdraw this consent at any time by contacting 888-397-7358. If your financial advisor is also affiliated with a bank, credit union, or other financial institution, and that financial institution enters into a relationship with a new financial services provider, we may share your information with the new financial services provider so your advisor can continue to service your account(s).

Vermont: In accordance with Vermont law, we will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. Additional information concerning our privacy policies can be found at harborfs.com or call 888-397-7358.

California: In accordance with California law, we will not share information we collect about you with companies outside of Harbor Financial, unless the law allows. For example, we may share information with your consent, to service your accounts, or to provide rewards or benefits you are entitled to. We will limit sharing among our companies to the extent required by California law. For additional information regarding your rights, please refer to the privacy notice (ccpa) for California residents at harborfs.com.

Nevada: In accordance with Nevada law, if you would like to be placed on our Internal Do Not Call List, please call **888-397-7358.** For more information, you may contact Harbor Financial Services, 11 North Water Street, Ste 21290, Mobile, AL 36602, or the Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101. Phone number: 1.702.486.3132; email: BCPINFO@ag.state.nv.us.

For Insurance Customers in AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, and VA only. The term “Information” in this section means customer information obtained in an insurance transaction. We may give your Information to state insurance officials, law enforcement, group policy holders about claims experience, or auditors as the law allows or requires. We may provide your Information to insurance support companies that may retain it or send it to others as needed to service your account. We may share your medical Information so we can learn if you qualify for coverage, process claims, or prevent fraud or if you provide authorization. To see your Information, write to Harbor Financial Services, 11 North Water Street, Ste 21290, Mobile, AL 36602, Attn: Data Request. You must state your full name, address, the insurance company, policy number (if relevant), and the Information you are requesting. We will inform you of what Information we have. You may see and copy the Information (unless privileged) at our office or ask that we mail a copy to you for a fee. If you think any Information is incorrect, you may submit a written request to have the Information corrected. We will notify you of what actions are taken. If you do not agree with our actions, you may send us a statement.