

# Disclosure Brochure

April 22, 2014



*a Registered Investment Adviser*

This brochure provides information about the qualifications and business practices of Haven Capital Management Group, LLC (hereinafter "Haven Capital" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm using the contact information listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Haven Capital Management Group, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Haven Capital Management Group, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

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## **Item 2. Material Changes**

In this Item, Haven Capital is required to discuss the material changes that have occurred since the last annual update to this disclosure document. As this brochure has been prepared in connection with the Firm's initial application for investment adviser registration, there is no such information to disclose.

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## Item 4. Advisory Business

Haven Capital was formed in 2013 and is principally owned by Haven Capital Partners.

Haven Capital offers a comprehensive array of wealth management functions, incorporating both family office and investment portfolio management services. Prior to rendering any of the foregoing advisory services, clients are required to enter into a written agreement with Haven Capital setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”). This brochure has been prepared in connection with the Firm’s initial application for investment adviser registration and therefore Haven Capital does not have any assets under management as of the date of this filing.

While this brochure generally describes the business of Haven Capital, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other persons who provide investment advice on Haven Capital’s behalf and are subject to the Firm’s supervision or control.

### Family Office Services

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Haven Capital offers clients a variety of family office services, which are rendered either as part of a comprehensive wealth management engagement or on a stand-alone basis. These services are customized to accommodate the needs of each individual client and may include a broad range of matters, including, but not limited to:

- Consolidated Financial Reporting
- Family Governance
- Wealth Transfer
- Philanthropy
- Estate Planning
- Trust Administration
- Business Planning
- Succession Planning
- Educational Funding
- Insurance Needs Analysis
- Retirement Planning
- Risk Management
- Asset Allocation
- Cash Flow Forecasting
- Distribution Planning
- Tax Analysis

In performing these services, Haven Capital is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Haven Capital may recommend its own services or the services of other professionals to implement its recommendations.

A potential conflict of interest exists if Haven Capital recommends clients engage the Firm or its Supervised Persons for additional fee-based services. Clients are under no obligation to act upon any of

the recommendations made by Haven Capital under a financial planning engagement or to engage the services of any suggested professional, including Haven Capital itself. Clients retain absolute discretion over all such implementation decisions. Clients are advised that it remains their responsibility to promptly notify Haven Capital if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Haven Capital's previous recommendations and/or services.

## **Investment Portfolio Management Services**

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Haven Capital manages client investment portfolios on a discretionary or non-discretionary basis by primarily allocating assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, options, and independent investment managers ("Independent Managers"). Where appropriate, the Firm may also recommend and advise upon certain private placements securities, which may include debt, equity and/or pooled investment vehicles (e.g., hedge funds, private equity funds, etc.).

Haven Capital may also provide advice with regard to various types of legacy holdings, as well as certain investment products that are not maintained at their primary custodian, such as variable annuity contracts and assets held through employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In the latter situation, Haven Capital may direct or recommend the allocation of client assets among the investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Haven Capital tailors its advisory services to accommodate the needs of its individual clients and, on a continuous basis, seeks to ensure that its clients' portfolios are managed in a manner consistent with their specific investment profiles. Haven Capital consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other factors relevant to the management of their portfolios. Clients are advised to promptly notify Haven Capital if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Haven Capital determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

In an effort to provide clients with greater transparency, the fees associated with Haven Capital's investment advisory services do not include the execution of client securities transactions, as the Firm does not serve as the sponsor or manager to a wrap fee program (i.e., an arrangement where brokerage commissions and transaction costs are absorbed by the Firm).

## **Use of Independent Managers**

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As mentioned above, Haven Capital may select or recommend certain Independent Managers to actively manage all or a portion of its clients' assets.

Haven Capital evaluates a broad range of information about the Independent Managers it chooses to manage client portfolios. The Firm generally reviews a variety of different resources, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Haven Capital also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Haven Capital continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers by reviewing the summary account statements and trade confirmations produced by third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"), as well as other performance information furnished by the Independent Managers and/or other third-party providers. Haven Capital seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

## **Item 5. Fees and Compensation**

Haven Capital offers its services on a fee basis, which includes both fixed fees and fees based upon assets under management. Additionally, certain of Haven Capital's Supervised Persons, in their individual capacities, may offer securities brokerage services and insurance products under a commission arrangement.

### **Family Office Fees**

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For ongoing family office engagements, Haven Capital may elect to charge a fixed annual fee, which varies and is largely determined by the level and scope of the services to be rendered. The specific amount and payment structure of this annual fee is individually negotiated and may range up to \$50,000 or more for highly complex or involved relationships. Annual fixed fees are generally prorated and charged in either advance or arrears on a quarterly or semiannual basis.

### **Wealth Management Fees**

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Haven Capital provides wealth management services for an annual fee based upon a percentage of assets under management. This asset-based fee is negotiable and generally ranges from 100 to 250 basis points (1.00% – 2.50%) per annum, depending on the amount of assets to be managed and the additional family office services to be provided under a particular engagement. The annual fee is

prorated and generally charged monthly in advance, based on the average month-end account value during the preceding billing period.

### **Direct Fee Deduction**

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Clients generally provide Haven Capital with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The Financial Institutions that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Haven Capital. Alternatively, clients may elect to have Haven Capital send them an invoice for direct payment.

### **Additional Fees and Expenses**

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In addition to the advisory fees paid to Haven Capital, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other Financial Institutions. These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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.

### **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from the accounts they designate to be managed by the Firm at any time, subject to Haven Capital's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Haven Capital, subject to the usual and customary securities settlement procedures. However, Haven Capital generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Haven Capital may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

### **Commissions or Sales Charges for Recommendations of Securities**

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Clients may engage certain persons associated with Haven Capital (but not Haven Capital) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Haven Capital.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of an independent and unaffiliated broker/dealer, may provide securities brokerage

services and implement securities transactions under a separate commission based arrangement. Haven Capital's Supervised Persons may be entitled to a portion of the brokerage commissions or servicing fees (i.e., "trails") from the sale of mutual funds. Prior to effecting any transactions, clients are required to enter into a separate account agreement with the unaffiliated broker/dealer. Haven Capital does not charge an additional advisory fee on any brokerage assets.

A conflict of interest exists to the extent that Haven Capital recommends the purchase of securities where Haven Capital's Supervised Persons receive commissions or other additional compensation as a result of Haven Capital's recommendations. Haven Capital has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA"), and such others that Haven Capital, in its sole discretion, deems appropriate, Haven Capital may provide its investment advisory services on a fee-offset basis. In this scenario, Haven Capital may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by Haven Capital's Supervised Persons in their individual capacities as registered representatives

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Haven Capital does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets)

## **Item 7. Types of Clients**

Haven Capital provides services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Haven Capital does not impose a stated minimum portfolio size or minimum annual fee. Certain Independent Managers may, however, impose more restrictive account requirements and varying billing practices than Haven Capital. In such instances, Haven Capital may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

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

### **Methods of Analysis and Investment Strategies**

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Haven Capital employs a variety of strategies when constructing investment portfolios, which are individually customized based upon each client's specific risk profile and investment objectives. In developing its strategies, Haven Capital generally utilizes a combination of fundamental, technical and cyclical methods of analysis.



Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Haven Capital, this process typically involves an analysis of a fund's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Haven Capital will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that Haven Capital is recommending. The risks with cyclical analysis are similar to those of technical analysis.

## Risks of Loss

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### *General Market Risks*

Investing in securities involves the risk of loss and clients should be prepared to bear potential losses. The profitability of a significant portion of Haven Capital's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Haven Capital will be able to predict those price movements accurately or capitalize on any trends detected.

### *Management Through Similarly Managed "Model" Accounts*

Haven Capital manages certain accounts through the use of similarly managed "model" portfolios, whereby the firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard

to a client's individual tax ramifications. Clients should contact Haven Capital if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

#### *Mutual Funds and Exchange-Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The NAV of a mutual fund is calculated per share at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

## *Use of Private Collective Investment Vehicles*

Haven Capital recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

## *Master Limited Partnerships (MLPs)*

Master Limited Partnerships ("MLPs") are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation, and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their *pro rata* share of the partnership taxes, regardless of the types of accounts where the interests of are held.

## *Real Estate Investment Trusts (REITs)*

Haven Capital may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

## *Exchange-Traded Notes (ETNs)*

Haven Capital may recommend an investment in, or allocate assets among, various exchange-traded notes ("ETNs"). ETNs are unsecured debt securities which are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETNs are designed to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of the underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject

to various counterparty concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer's credit rating and/or an unwillingness or inability of the issuer to perform its contractual obligations.

#### *Use of Margin*

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lender may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

## **Item 9. Disciplinary Information**

Haven Capital is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Haven Capital does not have any required disclosures to this Item.

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

### **Registered Representatives of a Broker-Dealer**

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A number of Haven Capital's Supervised Persons, in their individual capacities, are also registered representatives of an independent and unaffiliated broker/dealer. As an accommodation to clients, these Supervised Persons may effect trades and provide securities brokerage services under a separate commission-based arrangement. This relationship is described at length in Item 5.

### **Licensed Insurance Agents**

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Certain of the Firm's Supervised Persons, in their individual capacities, are also licensed insurance agents and may receive compensation for facilitating the purchase or sale of insurance products. A conflict of interest exists to the extent the Firm recommends the purchase or sale of insurance products where its Supervised Persons receive insurance commissions or other forms of compensation as a result.

## **Item 11. Code of Ethics**

Haven Capital and persons associated with Haven Capital (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with Haven Capital’s policies and procedures. Haven Capital has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). Haven Capital’s Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Haven Capital or any of its associated persons. The Code of Ethics also requires that certain of Haven Capital’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When Haven Capital is engaging in or considering a transaction in any security on behalf of a client, no Access Person may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact Haven Capital to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

Haven Capital generally recommends that investment management clients utilize the independent brokerage, clearing and custodial services of Pershing Advisors Solutions (“Pershing”), Schwab Advisor Services<sup>TM</sup> (“Schwab”), and/or Raymond James Financial Services, Inc. (“Raymond James”).

Factors which Haven Capital considers in recommending Pershing, Schwab, Raymond James or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Pershing, Schwab, and/or Raymond James may enable Haven Capital to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, Pershing, Schwab, and/or Raymond James may also agree to compensate clients for any transfer fees that may be assessed for moving their accounts to their platforms. The commissions and/or transaction fees charged by Pershing, Schwab or Raymond James may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Haven Capital's clients comply with Haven Capital's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Haven Capital determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Haven Capital seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other Financial Institutions with whom Haven Capital and the Financial Institutions have entered into agreements for prime brokerage clearing services. Haven Capital periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The client may direct Haven Capital in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and Haven Capital will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Haven Capital (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Haven Capital may decline a client's request to direct brokerage if, in Haven Capital's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless Haven Capital decides to purchase or sell the same securities for several clients at approximately the same time. Haven Capital may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Haven Capital's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Haven Capital's clients pro rata to the purchase and sale orders placed for each client

on any given day. To the extent that Haven Capital determines to aggregate client orders for the purchase or sale of securities, including securities in which Haven Capital's Supervised Persons may invest, Haven Capital generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Haven Capital does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that Haven Capital determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Haven Capital may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Haven Capital in its investment decision-making process. Such research generally will be used to service all of Haven Capital's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Haven Capital does not have to produce or pay for the products or services.

### **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain Supervised Persons are registered representatives of an independent and unaffiliated broker/dealer. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker/dealer unless provided with prior written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through the broker/dealer through which they are associated unless they first secure written consent from to execute securities transactions through a different broker-dealer. Absent such written consent, these Supervised Persons are prohibited from executing securities transactions through any other broker/dealer under its internal supervisory policies.



Haven Capital is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### **Software and Support Provided by Financial Institutions**

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The Firm may receive from Pershing, Schwab and/or Raymond James, without cost to Haven Capital, computer software and related systems support, which allow Haven Capital to better monitor client accounts maintained at those Financial Institutions. Haven Capital may receive the software and related support without cost because Haven Capital renders investment management services to clients that maintain assets at Pershing and/or Schwab. The software and support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit Haven Capital, but not its clients directly. In fulfilling its duties to its clients, Haven Capital endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Haven Capital’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Haven Capital’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Specially, Haven Capital may receive the following benefits from Pershing, Schwab and/or Raymond James:

- Up to \$30,000 in coverage for qualifying third-party service providers used in connection with the initial set up of the Firm’s research, technology and software platforms;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services their institutional participants;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

## **Item 13. Review of Accounts**

### **Account Reviews**

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Haven Capital monitors the portfolios of its investment management clients as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Haven Capital provides ongoing family office services, reviews are conducted on an “as needed” basis. Such reviews are conducted by the Firm’s Principals and/or Financial Professionals.

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Haven Capital and to keep Haven Capital informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and



to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are in custody. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Haven Capital and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from Haven Capital or an outside provider.

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

### **Client Referrals**

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Haven Capital does not currently compensate any third-party solicitors for client referrals. However, if the Firm elects to do so, Haven Capital will ensure the arrangement is structured in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from Haven Capital's investment management fee, and does not result in any additional charge to the client. If the client is introduced to Haven Capital by an unaffiliated solicitor, the solicitor provides the client with a copy of Haven Capital's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Haven Capital discloses the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of Haven Capital's written disclosure brochure at the time of the solicitation.

### **Other Economic Benefits**

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In addition, Haven Capital is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12 above.

Haven Capital has an ownership interest in a separate limited liability company, H<sup>3</sup> Strategies, LLC ("H<sup>3</sup>"). H<sup>3</sup> has third party marketing relationships with non-affiliated RIA asset managers and may receive a percentage of the non-affiliated managers' fees received from clients H<sup>3</sup> introduces.

## **Item 15. Custody**

Haven Capital is deemed to have a form of custody over a client's assets when it is authorized to directly debit a client's account for payment of the Firm's management fee. In accordance with applicable custody rules, the Financial Institutions recommended by Haven Capital have agreed to send statements to clients, not less than quarterly, indicating all amounts paid to Haven Capital and/or the Independent Managers engaged to manage their accounts.

As discussed in Item 13, Haven Capital and/or a third party vendor may also send periodic reports to clients. Clients are advised to carefully review the statements and confirmations sent directly by the Financial Institutions and to compare them with any reports received from Haven Capital or an outside service provider.

## **Item 16. Investment Discretion**

Haven Capital is generally given the authority to exercise discretion on behalf of clients. Haven Capital is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Haven Capital is given this authority through a power-of-attorney included in the Advisory Agreement between Haven Capital and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold).

Specifically, Haven Capital takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

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

Haven Capital generally does not accept the authority to vote client securities (i.e., proxies) on their behalves. Clients receive proxies directly from the Financial Institutions where their assets are in custody and may contact the Firm with questions about proxies and other such solicitations.

## **Item 18. Financial Information**

Haven Capital is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;

- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.





Prepared by:

