



Harbour Investment Management L.L.C.

ADV Part 2A – Firm Brochure

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425-742-1557

Web Site Address – www.harbourinvest.com

Submitted March 26, 2018

For Fiscal Year Ending December 31, 2017

This Brochure provides information about the qualifications and business practices of Harbour Investment Management L.L.C. If you have any questions about the contents of this Brochure, please contact us at 425-742-1557. 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.

Additional information about Harbour Investment Management L.L.C. (Harbour) is also available on the SEC's website at www.adviserinfo.sec.gov.

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

Item 2 – Material Changes

Prior to this filing (March 26, 2018), our last annual update of our Brochure was submitted for filing with the Securities and Exchange Commission on June 30, 2017.

Item 2 only discusses material changes since the last annual update of the Brochure.

There have been no material changes to the content of the Brochure since our last update.

We will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year, without charge. Our complete Brochure may be requested by contacting Erika Hill, Chief Compliance Officer, at 425-742-1557.

Additional information about Harbour Investment Management L.L.C. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Harbour Investment Management who are registered, or are required to be registered, as investment adviser representatives of Harbour Investment Management L.L.C.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	3
Item 7 – Types of Clients.....	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	3
Item 9 – Disciplinary Information	4
Item 10 – Other Financial Industry Activities and Affiliations	4
Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading....	4
Item 12 – Brokerage Practices	5
Item 13 – Review of Accounts	8
Item 14 – Client Referrals and Other Compensation.....	9
Item 15 – Custody	9
Item 16 – Investment Discretion.....	9
Item 17 – Voting Client Securities.....	10
Item 18 – Financial Information	11

Item 4 – Advisory Business

About Harbour Investment Management L.L.C.

Harbour Investment Management L.L.C. (“Harbour”) is a Registered Investment Adviser founded by Hans D. Berkenhoff in 1991 and based in Edmonds, Washington. Prior to 2017, Harbour had not provided financial planning or similar services, its sole purpose being the management of investment advisory accounts. However, through the January 2017 investment of Northwest Capital Management, Inc. (NWCM), Harbour has access to NWCM’s financial planning resources to utilize for our clients. Harbour has no subsidiaries or other business lines.

Investment management services are limited to stocks, mutual funds and exchange-traded funds (ETFs), bonds, CDs and cash/money market instruments. Client portfolios are individually managed by Harbour’s portfolio managers. When one investor has multiple accounts, these are managed together as a single portfolio for investment purposes. Harbour does not participate in wrap fee programs and does not utilize other investment managers.

Clients agree on an investment objective prior to our management of their portfolio, and portfolios are managed in accordance with this objective. From time to time, clients may impose restrictions on investments, such as directing Harbour to hold a stock that was purchased prior to Harbour’s management. In these cases the client would typically sign a direction letter stating their intent. As of December 31, 2017, assets under management totaled \$285,285,321, all of which were managed with discretion. Harbour charges a percentage of assets under management, as detailed in Item 5.

Principal Owners

Harbour is a Limited Liability Company (LLC) structured as follows:

<u>Entity</u>	<u>Ownership Interest</u>	<u>Relationship</u>
Erika Hill	55%	Portfolio Manager
Northwest Capital Management, Inc. (NWCM)	35%	LLC Member
Hans Berkenhoff	10%	Portfolio Manager

Principal owners (25% or more) of Harbour are Erika L. Hill and NWCM. Erika Hill and Hans Berkenhoff are related.

Item 5 – Fees and Compensation

How We Are Paid

Harbour's compensation is generally based on a percentage of assets under management. In the month following the end of each calendar quarter, fees are charged based on the quarter-end closing market value (including any accrued interest and dividends). A few accounts are charged a fixed dollar fee. Most clients authorize Harbour to directly debit fees from client accounts, but may elect to be billed directly for fees.

Current Fee Schedule

<u>Market Value of Portfolio</u>	<u>Annual Fee (% of Assets)</u>
First \$1,000,000	0.80%
Next \$1,000,000	0.70%
Next \$3,000,000	0.50%
Amount over \$5,000,000	0.25%

Accounts opened under our current fee schedule are subject to a minimum quarterly fee of \$ 250. Accounts opened under previous fees schedules may be subject to a different minimum, or no minimum quarterly fee. Fees may be negotiated based on account size and complexity of investments.

Accounts may be terminated at any time by either the client or by Harbour, in which case pro-rata fees will apply at such time for the portion of the quarter said assets were under management. Accounts initiated during a calendar quarter may be charged a pro-rated fee.

Other Expenses

Harbour's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Harbour's fee, and Harbour does not receive any portion of these commissions, fees, and costs. Employees of Harbour do not accept compensation for the sale of securities or other investment products.

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

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

Harbour does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Harbour provides portfolio management services to individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and trusts and estates.

Our minimum portfolio size is \$500,000 per investor. This minimum is comprised of the total of all investor's accounts (taxable, trust and retirement accounts). However, in some cases this minimum is waived when assets are considered as part of a larger client relationship, or when a pre-arranged savings plan is agreed upon with the client to bring the account to the minimum size over time.

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

Our Investment Strategies

Harbour utilizes a variety of methods of analysis in managing investment portfolios and selecting securities, including fundamental, interest rate, and economic analysis. The main sources of information used by Harbour are financial newspapers and magazines, annual reports, prospectuses and other filings with the SEC, company press releases, research prepared by others and corporate rating services. Harbour's investment strategies focus on the purchase of securities intended to be held for one year or more; short-term trading is generally avoided due to tax considerations.

Northwest Capital Management, Inc. ("NWCM"), an SEC-registered investment adviser located in Portland, Oregon, purchased a 35% interest in Harbour in 2017. Historically, NWCM has managed "fund of funds" portfolios, investing in various mutual funds and ETFs it considers "best of class". Harbour leverages NWCM's fund research capabilities to augment Harbour's own research. This allows us to include in portfolios, where appropriate, additional mutual funds and ETFs to obtain broader portfolio diversification and investment exposure to different asset classes and management styles.

Risk

Investing in securities involves risk of loss that clients should be prepared to bear. Risks include a general stock or bond market decline, an economic slowdown (domestic or global), inflation or loss of purchasing power risk, interest rate fluctuations, liquidity risk, and business or company-specific risk. All of these factors, and others, may contribute to investment losses.

Harbour seeks to minimize these risks by diversification of portfolio assets amongst various asset classes, industry sectors and individual securities. However, clients should understand that these risks cannot be eliminated, and should be prepared to accept volatility of portfolio returns.

Item 9 – Disciplinary Information

All registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Harbour or the integrity of Harbour's management. Harbour has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Harbour is not actively engaged in a business other than giving investment advice, and has no information applicable to this Item.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Harbour has adopted a Code of Ethics for all employees of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other items. All employees of Harbour are required to adhere to the Code of Ethics and must acknowledge this at least annually.

Potential Conflicts of Interest

Employee trading is continually monitored under the Code of Ethics, to reasonably prevent conflicts of interest between Harbour and its clients. Employees of Harbour may invest in the same securities that Harbour purchases for clients. This creates a potential conflict of interest between Harbour, employees and clients.

To address this potential conflict, all employee accounts are invested side by side with client accounts. All portfolios, including employee accounts, are managed in accordance with the model portfolio for the relevant investment objective. Employees must seek pre-clearance from

the Chief Compliance Officer or another principal of the Firm prior to effecting securities transactions for an employee's personal account using a Pre-Approval Form. If an employee is participating in a block trade along with other clients, Pre-Approval is not necessary. At least annually, the Chief Compliance Officer reviews all employee trading and asset allocation. It is the belief of Harbour that using such guidelines eliminates potential conflict-of-interest transactions.

Harbour does not engage in trading for its own (corporate) account.

Harbour's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Erika Hill, Chief Compliance Officer.

Item 12 – Brokerage Practices

The Custodian and Brokers We Use

Harbour does not maintain custody of assets that we manage, although we may be deemed to have custody of client assets if we have authority to deduct investment management fees (see Item 15 – Custody). Client assets must be maintained in an account at a “qualified custodian”, generally a broker-dealer or a bank. We prefer that our clients use Charles Schwab & Co., Inc (Schwab), a registered broker-dealer, member SIPC, as their qualified custodian. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to. Harbour is independently-owned and operated and is not affiliated with Schwab.

In some instances, Harbour also utilizes the services of brokerage firms other than the client's custodial account to purchase bonds. Clients must sign a Prime Brokerage Agreement with Schwab prior to any trades being made with another broker, and bonds are still held in the client account(s) at Schwab. Schwab imposes certain eligibility requirements for a client to participate in this service.

How We Select Brokers/Custodians

We select a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a range of factors, including, among others:

- a wide variety of available investment products
- capability to execute, clear, and settle trades at competitive prices
- technological capabilities
- the quality of operational support

- reputation, financial strength and stability
- convenient account access for clients, including the availability of retail offices, check writing and money transfer abilities, and Internet access
- availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us From Schwab).

Your Brokerage and Custody Costs

For Harbour's client accounts that Schwab maintains, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" fee for each trade that we execute by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited into the client's Schwab account. Because of this, in order to minimize trading costs, we have Schwab execute most trades in client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed earlier (see "How We Select Brokers/Custodians").

Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide Harbour and our clients with access to its institutional brokerage—trading, custody, reporting, and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees. Following is a more detailed description of Schwab's support services:

Services That Benefit Clients. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

Services That May Not Directly Benefit Clients. Schwab also makes available to Harbour other products and services that benefit us but may not directly benefit clients or client accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting.

Services That Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- consulting on technology, compliance, legal, and business needs
- publications and conferences on practice management and business succession.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Our Interest in Schwab's Services. The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. The \$10 million minimum may give us an incentive to require that clients maintain their account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on client interests in receiving the best value in custody services and the most favorable execution of their transactions. This is a potential conflict of interest.

We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us. We manage over \$200 million in client assets. We do not believe that our clients collectively

maintaining at least \$10 million of their assets at Schwab—and thus precluding us paying Schwab quarterly service fees--presents a material conflict of interest.

Harbour may have an incentive to select or recommend a broker-dealer based on our interest in receiving research or other products or services, rather than on our clients' interest in receiving most favorable execution.

Item 13 – Review of Accounts

Each portfolio is managed in accordance with an investment objective selected by the client. These objectives are reviewed at least annually for any required changes. At Harbour, we work on a team basis. Our investment outlook is determined jointly by our investment committee, which includes our two portfolio managers. Details on each of these portfolio managers are found in ADV Part 2B (“Brochure Supplement”), available upon request by contacting Erika Hill, Chief Compliance Officer. All portfolios are reviewed on a regular schedule by these individuals.

On a daily basis, investment transactions and securities holdings are downloaded from the custodian into a computer-based portfolio management system. It is the shared responsibility of all portfolio managers to review these transactions and cash balances on a daily basis. Accounts are also reviewed following material deposits or withdrawals.

Where appropriate, aggregate sales and purchases are allocated to all managed portfolios on a pro-rata basis based on investment objectives, asset allocation and cash availability.

Reports

Monthly or quarterly account statements and annual tax reports are provided by the custodian of the securities. Quarterly investment reports are provided by Harbour and distributed to clients. These written reports typically include:

- an asset allocation chart,
- a portfolio appraisal, which includes market value and costs basis information,
- a maturity schedule, if relevant,
- a performance report, including inception- and year-to-date performance for the portfolio,
- a quarterly letter reviewing market conditions,
- and, a copy of the most recent quarterly invoice.

Meetings are scheduled according to individual client preferences, as desired, and may take place in person or via telephone.

Item 14 – Client Referrals and Other Compensation

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other investment advisors whose clients maintain their account at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described earlier (see Item 12- Brokerage Practices).

Most referrals come from existing clients. Other sources of referrals include attorneys and accountants that work with our clients. Harbour does not compensate referring parties for referrals. While clients occasionally ask us for referrals to attorneys or CPAs, Harbour does not accept any form of compensation from other professionals when a prospect or client is referred to them.

Item 15 – Custody

Our preferred custodian Charles Schwab maintains actual custody of client assets, and clients should receive at least quarterly statements directly from the custodian. These documents will be sent to the email or postal mailing address provided by the client to Schwab. Harbour urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to them. Our statements may vary from custodial statements based on accounting procedures, dividend and interest accruals, reporting dates, or valuation methodologies of certain securities.

Pursuant to the Investment Advisers Act of 1940, Harbour is deemed to have “constructive custody” of client funds because the Firm has the authority and ability to debit its fees directly from the accounts of those clients receiving Harbour’s investment advisory services. Additionally, certain clients have, and may in the future, signed a Standing Letter of Authorization (SLOA) that gives Harbour the authority to transfer funds to a third-party as directed by the client in the SLOA. This is also deemed to give the Firm custody. Custody is defined as any legal or actual ability by the Firm to withdraw client funds or securities. Firms with deemed custody must take the following steps:

1. Ensure clients' managed assets are maintained by a qualified custodian;
2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly;
3. Confirm that account statements from the custodian contain all transactions that took place in the client's account during the period covered and reflect the deduction of advisory fees; and
4. Obtain a surprise audit by an independent accountant on the clients' accounts for which the advisory firm is deemed to have custody.

However, the rules governing the direct debit of client fees and SLOAs exempts Harbour from the surprise audit rules if certain conditions (in addition to steps 1 through 3 above) are met. Those conditions are as follows:

1. When debiting fees from client accounts, Harbour must receive written authorization from clients permitting advisory fees to be deducted from the client's account.
2. In the case of SLOAs, Harbour must: (i) confirm that the name and address of the third party is included in the SLOA, (ii) document that the third-party receiving the transfer is not related to the Firm, and (ii) ensure that certain requirements are being performed by the qualified custodian.

The qualified custodian that is selected by a client maintains actual physical custody of client assets. Client account statements from custodians will be sent directly to each client to the email or postal mailing address that is provided to the qualified custodian selected by the client. Clients are encouraged to compare information provided in reports or statements received by Harbour with the account statements received from their custodian for accuracy. In addition, clients should understand that it is their responsibility, not the custodian's, to ensure that the fee calculation is correct.

If client funds or securities are inadvertently received by our firm, they will be returned to the sender immediately, or as soon as practical.

Item 16 – Investment Discretion

Harbour typically receives discretionary authority from the client at the beginning of an advisory relationship to select the types and amount of securities to be bought or sold. Once discretionary authority is received, Harbour is not required to contact a client prior to placing trades in a client's account. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

In addition to the Investment Management Agreement signed by both the client and Harbour, the client must sign a Limited Power of Attorney form with the custodian allowing Harbour to trade and disburse funds from the client's account(s). In some cases, clients must also sign a Prime Brokerage Agreement, where this service is used (see Item 12).

Item 17 – Voting Client Securities

We generally vote proxies for all clients, except where client preferences override. It is Harbour's policy to review each proxy statement on an individual basis and to base its voting decision exclusively on its judgment of what will best serve the financial interests of the beneficial securities owners. Harbour has established general guidelines in voting proposals, covering common topics such as director elections, mergers and acquisitions and capital authorizations. In the event that a potential conflict of interest is identified, Harbour would disclose this conflict to affected clients and obtain client consent before voting.

Clients may obtain a copy of Harbour's complete proxy voting policies and procedures upon request. Clients may also obtain information from Harbour about how Harbour voted any proxies on behalf of their account(s). Clients may contact us by phone or in writing if they would like to direct the vote of a specific proposal on their account, provided there is sufficient notice given before the vote deadline.

Item 18 – Financial Information

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



Harbour Investment Management L.L.C.

ADV Part 2B –Brochure Supplement

Erika L. Hill, CFA

110 James Street – Suite 111

Edmonds, WA 98020

425-742-1557

March 26, 2018



This Brochure Supplement provides information about Erika L. Hill, CFA that supplements the Harbour Investment Management L.L.C. (“Harbour”) Brochure. You should have received a copy of that Brochure. Please contact Erika Hill, Chief Compliance Officer, if you did not receive Harbour Investment Management’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Erika Hill is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Erika L. Hill, CFA was born in 1972. Erika graduated from Willamette University with a Bachelor of Science in Business Economics in 1994. She also holds a Master of Science in Finance from Seattle University. Erika was awarded the Chartered Financial Analyst (CFA) charter in 1998.

In order to earn the CFA charter, an individual must have at least four years of qualified professional investment experience, become a member of the CFA Institute, commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct, and pass three sequential, six-hour examinations. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivatives investments, economics, financial reporting standards, portfolio management and wealth planning. Additional information about the CFA Charter can be found at www.cfainstitute.org.

Since 2006, Erika has been a Portfolio Manager with Harbour Investment Management, and Chief Compliance Officer since 2007. Prior to joining Harbour, Erika was a Senior Research Analyst and Vice President with Ragen MacKenzie, a division of Wells Fargo Investments.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Erika Hill is not the subject of any such events.

Item 4- Other Business Activities

Registered investment advisers are required to disclose all material facts regarding any other business activities. Erika Hill is not engaged in any such activities.

Item 5- Additional Compensation

Erika Hill does not receive economic benefits such as sales awards for providing advisory services, outside of her regular salary.

Item 6 - Supervision

The person responsible for supervising Erika Hill is Hans Berkenhoff, Portfolio Manager, 425-742-1557. There are several procedures in place for supervision at Harbour. All trades are reviewed weekly by the Chief Compliance Officer. All decisions regarding the addition or removal of a security to or from the recommended list are made by a committee of the two principals of Harbour. At least quarterly, all accounts with similar investment objectives are reviewed side by side and any variances addressed.



Harbour Investment Management L.L.C.

ADV Part 2B –Brochure Supplement

Hans D. Berkenhoff, CFA

110 James Street – Suite 111

Edmonds, WA 98020

425-742-1557

March 26, 2018



This Brochure Supplement provides information about Hans D. Berkenhoff, CFA that supplements the Harbour Investment Management L.L.C. (“Harbour”) Brochure. You should have received a copy of that Brochure. Please contact Erika Hill, Chief Compliance Officer, if you did not receive Harbour Investment Management’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Hans Berkenhoff is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Hans D. Berkenhoff, CFA was born in 1940. Hans graduated from the University of Minnesota with a Bachelor of Science in Economics in 1966. Hans was awarded the Chartered Financial Analyst (CFA) designation in 1975.

In order to earn the CFA charter, an individual must have at least four years of qualified professional investment experience, become a member of the CFA Institute, commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct, and pass three sequential, six-hour examinations. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivatives investments, economics, financial reporting standards, portfolio management and wealth planning. Additional information about the CFA Charter can be found at www.cfainstitute.org.

Since 1991, Hans has been a Portfolio Manager with Harbour Investment Management.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Hans Berkenhoff is not the subject of any such events.

Item 4- Other Business Activities

Registered investment advisers are required to disclose all material facts regarding any other business activities. Hans Berkenhoff is not engaged in any such activities.

Item 5- Additional Compensation

Hans Berkenhoff does not receive economic benefits such as sales awards for providing advisory services, outside of his regular salary.

Item 6 - Supervision

The person responsible for supervising Hans Berkenhoff is Erika Hill, Chief Compliance Officer, 425-742-1557. There are several procedures in place for supervision at Harbour. All trades are reviewed weekly by the Chief Compliance Officer. All decisions regarding the addition or removal of a security to or from the recommended list are made by a committee of the two principals of Harbour. At least quarterly, all accounts with similar investment objectives are reviewed side by side and any variances addressed.