

# **Green Harvest Asset Management LLC**

**(“Green Harvest” or “Adviser”)**

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**Form ADV Part 2A Firm Brochure  
June 26, 2019**

**This brochure provides information about the qualifications and business practices of Green Harvest. If you have any questions about the contents of this brochure, please contact us at 888-794-2783 or rch@greenharvestam.com. 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 Green Harvest also is available on the SEC’s web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Green Harvest is a registered investment adviser. Registration does not imply a certain level of skill or training.**

## **MATERIAL CHANGES**

This Brochure was first created on April 19, 2018 and amended on July 18, 2018. The Brochure was further amended on November 8, 2018 to reflect revised responses under “Advisory Business” and “Custody.” The Brochure was further amended on December 20, 2018 to reflect a revised response under “Advisory Business” and “Fees and Compensation.” The Brochure was further amended on June 26, 2019 to update the firm’s address and reflect its status as an SEC-registered investment adviser. The Brochure was also amended to specify the amount of total assets managed on a discretionary and non-discretionary basis. We may also provide you with updates or other disclosure information at other times during the year in the event of any material changes to our business. You will be provided a copy of this brochure annually, within 120 days of the close of our business’ fiscal year.

## TABLE OF CONTENTS

	<u>Page</u>
Advisory Business .....	4
Fees and Compensation .....	4
Performance-Based Fees and Side-By-Side Management .....	6
Types of Clients .....	6
Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Disciplinary Information.....	8
Other Financial Industry Activities and Affiliations .....	8
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	8
Brokerage Practices .....	9
Review of Accounts.....	10
Client Referrals and Other Compensation .....	10
Custody .....	11
Investment Discretion .....	11
Voting Client Securities.....	11
Financial Information.....	12

## **ADVISORY BUSINESS**

Green Harvest is an investment advisory firm registered with the United States Securities and Exchange Commission (“SEC”), and has been in business since 2018. Robert C. Holderith is the sole Managing Member, President, Chief Product Engineer, and Chief Compliance Officer (“CCO”) of Green Harvest.

Green Harvest provides broad index exposure and tax-loss harvesting (“TLH”) investment advisory services to high net worth individuals. Green Harvest’s tax-loss harvesting investment advisory services involve identifying effective TLH opportunities and then selling securities at a loss for the purpose of capturing, or “harvesting,” a loss to offset a current or expected capital gain. Green Harvest implements its TLH strategies using exchange-traded funds (“ETFs”). Green Harvest’s investment advice is limited to implementing TLH strategies using ETFs.

Green Harvest has also been retained as a sub-adviser to provide continuous and regular supervisory or management services for clients of KORE Private Wealth, with an address of 330 Madison Avenue, 29<sup>th</sup> Floor, New York, NY 10017. As sub-adviser, Green Harvest will provide to these clients: (1) Green Harvest Core Index Plus ETF-based strategies to provide low-cost, core benchmark index exposure while efficiently generating significant tax alpha (the “Core Services”); (2) Green Harvest Transition Plus strategies to provide a rapid, tax-sensitive conversion from a legacy portfolio or securities with imbedded gains to the Green Harvest Core Index Plus Strategy (the “Transition Services”); and (3) Green Harvest Loss Harvesting Overlay strategies based on Green Harvest’s proprietary SmartCapture methodology to deliver loss harvest benefits on specific positions in client accounts (“Overlay Services”).

Green Harvest’s investment philosophy is that it is driven to meet the needs and expectations of its clients by providing tailored investment advisory services to each client. Clients may impose restrictions on investing in certain securities or types of securities, most of which will be honored unless it is not feasible for Green Harvest to incorporate a requested restriction into the management of a client’s account, in which case the client will be notified of the issue. Green Harvest consults with each of its clients initially and on an ongoing basis to ascertain and discuss the client’s investment objectives and any restrictions that the client may request. Client portfolios are monitored on an ongoing basis to ensure that any restrictions on a client’s portfolio are maintained.

As of December 20, 2018, Green Harvest manages approximately \$142,938,099 in total assets across 59 accounts. Approximately \$13,625,113 of the total amount of assets are managed on a discretionary basis across 32 accounts, while approximately \$129,312,986 of the total amount of assets are managed on a non-discretionary basis across 27 accounts.

## **FEES AND COMPENSATION**

For individual accounts at Green Harvest, fees are payable by the client quarterly in arrears. Fees may be paid directly to Green Harvest by the client or may be withdrawn by the custodian from the client’s account. For client accounts from which fees are withdrawn by the custodian:

- (1) clients must provide written authorization permitting fees to be withdrawn;
- (2) Green Harvest will send to the client and custodian, concurrently, a bill showing the amount of the fee, the account value upon which the fee is based and the manner in which the fee was calculated; and
- (3) the custodian will send to the client, at least quarterly, a statement that details the amounts disbursed from the account, including any advisory fees paid by the custodian directly to Green Harvest.

### Standard Fee Schedule

The table below reflects our standard fee schedule, calculated at the rates indicated in the second column below. The starting fee for Green Harvest's products is 50 bps, but will be subject to breakpoints based upon the account's average net asset size. Fees may be negotiable, depending on the size of the client account or the size of the overall relationship with the client's financial adviser.

Net Assets	Fee Percentage	Billing Period
\$100,000 - \$1,000,000	50 basis points (0.50%)	Quarterly, in arrears
\$1,000,001 - \$5,000,000	45 basis points (0.45%)	Quarterly, in arrears
\$5,000,001 - \$10,000,000	40 basis points (0.40%)	Quarterly, in arrears
Over \$10,000,000	35 basis points (0.35%)	Quarterly, in arrears

### Additional Fees and Expenses

In addition to fees for Green Harvest's advisory services, the client may also incur certain charges imposed by unaffiliated third parties. Such charges include, but are not limited to custodial fees; brokerage commissions; transaction fees; proxy voting fees and costs; charges imposed directly by an ETF purchased for the client's account(s), which shall be disclosed in the ETF's prospectus (*e.g.*, management fees and other ETF expenses); odd-lot differentials; transfer taxes; wire transfer and electronic fund fees; other fees and taxes on brokerage accounts and securities transactions; and distribution fees associated with the investment of cash balances into money market accounts managed by agents unaffiliated with Green Harvest, under the terms of the agreement between the unaffiliated agent and Green Harvest, or third parties. For more information on brokerage costs, see "Brokerage Practices" below.

Green Harvest, its supervised persons and its affiliates do not receive compensation for the sale of securities or other investments, including the sale of ETFs, to Green Harvest's clients.

### Sub-Advisory Services

For the accounts Green Harvest will act as sub-adviser, Green Harvest will receive a fee for its services at an annual rate based on average daily assets as described hereunder. Fees will be paid quarterly in arrears within thirty (30) days after the last day of each calendar quarter.

Service	Fee Percentage	Billing Period
Core Services	25 basis points (0.25%)	Quarterly, in arrears
Transition Services	25 basis points (0.25%)	Quarterly, in arrears
Overlay Services	25 basis points (0.25%)	Quarterly, in arrears

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Green Harvest will not manage any accounts with a performance-based fee.

### **TYPES OF CLIENTS**

Green Harvest generally provides TLH investment advisory services to high net worth individuals. Green Harvest's minimum account size is generally \$100,000.00.

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Green Harvest's tax-loss harvesting investment advisory services involve identifying effective TLH opportunities and then selling securities at a loss for the purpose of capturing, or "harvesting," a loss to offset a current or expected capital gain. Green Harvest's strategy objectives include: (1) tracking the return of the S&P 500 Index or other broad-based market benchmark; (2) harvesting maximum available tax losses; and (3) providing a rapid, orderly transition process for legacy portfolios with embedded capital gains. Green Harvest uses one basic strategy: selling a security and simultaneously replacing (swapping) the security with a similar security to maintain the client's initial exposure. Green Harvest implements its TLH strategies using ETFs.

As with all investments, you can lose money by investing according to any of Green Harvest's strategies. Investing in securities involves the risk of loss of some or all of your investment. You should be prepared to bear the loss of your investment before investing.

TLH strategies and investments in ETFs are subject to the material risks discussed below. Each of these risks has the potential (individually or in any combination) to affect adversely the value of your account and cause you to lose money.

## **MATERIAL RISKS**

***Tax Risk.*** The tax consequences of Green Harvest's TLH strategy is complex and uncertain, and may be challenged by the IRS. Green Harvest's TLH strategy involves purchasing an asset with similar exposure to the "harvested" security, but that is not "substantially identical" for purposes of the IRS's "wash sale" rule. The "wash sale" rule disallows a loss from selling a security if a "substantially identical" security is purchased 30 days after or before the sale. The IRS has not issued any guidance on whether and when two index ETFs would be considered to be "substantially identical." Therefore, although Green Harvest uses ETFs in its TLH strategy that it reasonably believes will not be considered by the IRS to be "substantially identical," there is no guarantee that the IRS will take that view. Under the wash sale rule, if the IRS deems the two index ETFs to be "substantially identical," it will not allow the loss, and therefore it cannot be used to offset the targeted capital gain.

***TLH Investment Approach Risk.*** The TLH strategy employed by Green Harvest, while designed to capture or harvest a loss to offset a current or expected capital gain, may not produce the desired results. There is no guarantee that Green Harvest will be able to identify and implement effective TLH opportunities.

***ETF Risk.*** In addition to the risks associated with the underlying assets held by an ETF, investments in ETFs are subject to the following additional risks: (1) the market price of an ETF's shares may trade above or below its net asset value; (2) an active trading market for the exchange-traded fund's shares may not develop or be maintained; (3) trading an ETF's shares may be halted if the listing exchange's officials deem such action appropriate; (4) a passively managed ETF may not accurately track the performance of the reference asset; and (5) a passively managed ETF would not necessarily sell a security because the issuer of the security was in financial trouble unless the security is removed from the index that the ETF seeks to track. Investment in ETFs may involve duplication of management fees and certain other expenses, as the client indirectly bears its proportionate share of any expenses paid by the ETFs in which it invests.

***Equity Market Risk.*** The ETFs used in Green Harvest's TLH strategy primarily hold equity securities that are traded on U.S. exchanges. Market values of equity securities or other investments held by the ETFs may fall, sometimes rapidly or unpredictably, or fail to rise. An issuer in which an ETF invests may perform poorly, and the value of its securities may therefore decline, which would negatively affect the ETF's performance. Poor performance of individual equity securities held by ETFs may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, natural disasters or other events, conditions or factors.

## **DISCIPLINARY INFORMATION**

Green Harvest does not have any legal or disciplinary events to disclose that are material to a client's or prospective client's evaluation of Green Harvest's advisory business or the integrity of its management.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Green Harvest may solicit other broker-dealers, investment advisers and financial planners to invest selected client accounts through Green Harvest, and may act as a third-party adviser (TPA) to such firms. The client will be charged the advisory fee for Green Harvest's services separately from any fees charged by the broker-dealer, investment adviser or financial planner. Green Harvest does not pay any compensation to broker-dealers, investment advisers and financial planners for client referrals.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Green Harvest adopted its Code of Ethics and Standards of Professional Conduct (the "Code") pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended, in order to prevent persons who are actively engaged in investment advisory services or portfolio selection for clients from participating in fraudulent, deceptive or manipulative acts, practices or courses of conduct in connection with managing client accounts. The Code establishes certain standards of business conduct to which certain persons of Green Harvest are expected to adhere. In particular, the Code is designed to uphold the following principles: (1) that Green Harvest's duty at all times is to place the interests of Green Harvest's clients first; (2) that all personal securities transactions conducted by an officer, member or employee of Green Harvest shall be conducted consistently with the provisions of the Code and in such a manner as to avoid any actual or potential conflict of interest or any abuse of that individual's position of trust and responsibility; and (3) that Green Harvest's officers, members and employees shall not take inappropriate advantage of their positions with Green Harvest.

The Code outlines prohibited transactions and conduct by certain officers, members and employees of Green Harvest. The Code mandates that particular employees of Green Harvest submit holdings and transactions reports and certifications of compliance with the Code to Green Harvest's CCO on an initial, quarterly and annual basis. The CCO is responsible for imposing appropriate sanctions for violations of the Code. The CCO will also prepare a written report, no less frequently than annually, describing any violations of the Code and any sanctions imposed. This written report will also certify that Green Harvest has adopted procedures reasonably necessary to prevent Green Harvest's employees from violating the Code.

The Code also contains an Insider Trading Policy that is designed to prevent the misuse of material, nonpublic information by Green Harvest and its officers, members and employees. The Insider Trading Policy expressly forbids any officer, member or employee from either trading on



material non-public information, or communicating material non-public information to others in violation of federal law. The Insider Trading Policy contains detailed procedures to implement and maintain Green Harvest's prohibitions on insider trading and reporting and certification requirements to ensure that the Insider Trading Policy is properly administered and followed.

Green Harvest will provide a copy of the Code to any client or prospective client upon request.

Employees of Green Harvest do not buy or sell securities that Green Harvest recommends to clients. In the future, should employees of Green Harvest be permitted to buy or sell securities that Green Harvest recommends to clients, such purchases and sales would be governed by Green Harvest's Code.

## **BROKERAGE PRACTICES**

Green Harvest is authorized to select brokers or dealers to execute the transactions for the purchase or sale of portfolio securities for its clients and to determine the commission rates to be paid for such services.

Green Harvest has full authority and discretion to engage any broker or dealer to execute investment decisions and transactions for the client that, in Green Harvest's opinion, is capable of providing best execution. In selecting broker-dealers to effect client transactions, Green Harvest considers a number of factors, including: price of securities; commissions; ability to provide prompt execution of orders; abilities and financial wherewithal of the broker-dealer; and, in connection with particularly difficult transactions, the broker-dealer's expertise with respect to such transactions. Green Harvest does not consider client referrals from a broker-dealer or other party as a factor in the selection of broker-dealers to execute a client's portfolio transactions.

Transactions for client accounts generally are effected independently unless Green Harvest decides to purchase or sell the same securities for several clients at approximately the same time. Green Harvest 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 the client account and Green Harvest's other clients' accounts. This may result in differences in prices and commissions or other transaction costs from those that might have been obtained had such orders been placed independently. If purchases or sales of portfolio securities by client accounts are considered at or about the same time, transactions in such securities may be allocated among the clients in a manner deemed equitable to all by Green Harvest.

A client may direct Green Harvest to use a particular broker or dealer to execute transactions for the client's account. In this circumstance, the client's direction will be in written form authorizing Green Harvest to execute all or certain transactions with the particular broker or dealer, and the client will provide Green Harvest with a written acknowledgment that the client understands that (A) in directing Green Harvest to use a particular broker or dealer, Green Harvest may not be in a position where it can freely negotiate commission rates or spreads, obtain volume discounts, or select brokers or dealers on the basis of best execution; (B) such directed brokerage transactions may not be commingled or "batched" for purposes of execution with orders for the same securities for other accounts managed by Green Harvest; and (C)

accordingly, the client's direction of a particular broker or dealer to execute transactions for the account may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Green Harvest were empowered to freely negotiate commission rates or spreads, or to select brokers or dealers on the basis of best execution. In these circumstances, the client should recognize that a disparity in commission charges may exist among clients of Green Harvest.

Green Harvest may engage in transactions with brokers or dealers in which Green Harvest receives "soft dollar" credits for research or brokerage services. The research or brokerage services that may be obtained by Green Harvest using soft dollar credits include, to the extent permitted by applicable law: qualifying order management systems; portfolio attribution and monitoring services; quotation services, data, information and other services; analytical computer software and services; computer access charges that are directly related to investment research; economic and financial data; market data related software and services; and registration fees for conferences that provide substantive content relating to eligible research.

### **Trade Errors**

Consistent with the Green Harvest's fiduciary duties, contractual obligations and applicable law, Green Harvest has a responsibility to effect investment decisions correctly, promptly and in the interests of its clients and to verify that placed orders are correct and properly executed. Although Green Harvest strives to assure proper execution of investment decisions, errors may occur in the trading process. Consequently, Green Harvest has adopted a policy with respect to the identification, escalation and resolution of trade errors (the "Trade Error Policy"). The Trade Error Policy seeks to assure that appropriate care is taken in implementing investment decisions on behalf of client accounts, any potential trade errors are identified and reported promptly, and each identified error is corrected on a timely basis.

## **REVIEW OF ACCOUNTS**

Client accounts are reviewed on a monthly basis by the portfolio management team, supervised by the Chief Investment Officer. Clients will be provided with a quarterly review of their accounts in writing within 30 days of the close of each calendar quarter.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Green Harvest does not receive any economic benefit for providing investment advisory services to its clients other than the investment advisory fees received from its clients pursuant to investment advisory agreements.

Green Harvest may compensate its employees or third parties for client referrals. Any person receiving compensation will be appropriately registered as an investment adviser or investment adviser representative under the laws of any state requiring such persons who receive

compensation for client referrals to be registered as such. Appropriate disclosures shall be made to the client and all written instruments will be maintained by Green Harvest.

## **CUSTODY**

Green Harvest does not maintain custody of the securities or ETFs in its clients' accounts. From time to time a client may authorize Green Harvest to directly debit fees from their account held at the custodian for credit to Green Harvest subject to applicable regulations. Under this circumstance, Green Harvest is deemed to have custody of client assets and will use all safekeeping measures required under the laws of any state requiring such measures to be taken when an investment adviser maintains custody of client assets as a consequence of direct fee deduction. In addition, pursuant to SEC guidance, certain client-directed money movements may deem Green Harvest to have custody of client assets. Clients should receive statements at least quarterly from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. Green Harvest urges its clients to carefully review such statements and compare such official custodial records to the account statements provided by Green Harvest. Green Harvest's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **INVESTMENT DISCRETION**

Green Harvest usually receives discretionary authority from a client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. The grant of discretionary authority is provided for in the investment advisory contract that Green Harvest asks each client to sign in order to establish the investment adviser relationship. Green Harvest intends to exercise this discretion in a manner that is consistent with the investment objectives of the client's account.

When selecting securities and determining amounts, Green Harvest observes the client's investment policies, limitations and restrictions. Investment guidelines and restrictions must be provided to Green Harvest in writing.

## **VOTING CLIENT SECURITIES**

Green Harvest does not have authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. Questions about a particular solicitation should be directed to the client's custodian or transfer agent.

## **FINANCIAL INFORMATION**

A balance sheet is not required to be provided because Green Harvest does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

As of the date of this Form ADV, Green Harvest has no financial commitment that impairs its ability to meet contractual commitments to clients, and Green Harvest has not been the subject of a bankruptcy proceeding.