

Cover Page - Item 1

## **Good Harbor Advisors, Inc.**

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**February 11, 2019**

### **Form ADV Part 2A Brochure**

Good Harbor Advisors, Inc. is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Good Harbor Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (978) 283-7010. 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 Good Harbor Advisors, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Good Harbor Advisors, Inc.'s CRD number is 143492.

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On February 11, 2019, we submitted our annual updating amendment for fiscal year 2018 and have no material changes to report.

**Table of Contents - Item 3**

**Contents**

|   |    |
|---|----|
| Cover Page - Item 1 .....   | 1  |
| Material Changes - Item 2 .....   | 2  |
| Table of Contents - Item 3 .....  | 3  |
| Advisory Business - Item 4 .....  | 4  |
| Fees and Compensation - Item 5 .....  | 7  |
| Performance-Based Fees and Side-By-Side Management - Item 6 .....                                     | 10 |
| Types of Clients - Item 7 .....   | 10 |
| Methods of Analysis, Investment Strategies and Risk of Loss - Item 8 .....                            | 10 |
| Disciplinary Information - Item 9 .....   | 12 |
| Other Financial Industry Activities and Affiliations - Item 10 .....                                  | 13 |
| Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11 ..... | 14 |
| Brokerage Practices - Item 12 .....   | 14 |
| Review of Accounts - Item 13 .....  | 15 |
| Client Referrals and Other Compensation - Item 14 .....   | 16 |
| Custody - Item 15 .....   | 16 |
| Investment Discretion - Item 16 .....   | 16 |
| Voting Client Securities - Item 17 .....  | 17 |
| Financial Information - Item 18 .....   | 17 |
| Requirements for State-Registered Advisors - Item 19 .....  | 17 |
| Miscellaneous .....   | 17 |

#### **Advisory Business - Item 4**

Good Harbor Advisors, Inc. (hereinafter "GHA") is a registered investment advisor based in Gloucester, Massachusetts. We are a corporation under the laws of the Commonwealth of Massachusetts. We have been providing investment advisory services since 2007. Donna I. Crocker, President/CCO, and Matthew M. Babson, Secretary, are the principal owners of GHA.

Currently, we offer the following investment advisory services, personalized to each individual client:

- **Portfolio Management Services**
- **Financial Planning Services**
- **Pension Consulting Services**

The following paragraphs describe what we do and what we charge. Each investment advisory service is listed below and describes how we tailor our advisory services to your individual needs. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our Firm who is an officer, employee, and all individuals providing investment advice on behalf of our Firm. Such persons are properly registered as investment adviser representatives in all required jurisdictions.

#### ***Portfolio Management Services***

Portfolio management refers to the management of money, including investments. Assets are usually held in what is called a portfolio. Determining the types and quantities of securities to hold in a portfolio is referred to as portfolio management.

Our Firm offers discretionary and non-discretionary portfolio management services to our clients. This means that once the portfolio has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. This authority is granted to us by you in a written agreement. This allows our Firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is done using either the investment advisory agreement you sign with our Firm, a limited power of attorney agreement, or trading authorization forms. You may limit this authority by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

The non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our Firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

There are a few ways we might create your investment portfolio depending on what we decide would work best for you. We may customize a portfolio for you based the goals and risk we determined during the information gathering process. Or we might use a predetermined strategy rather than choosing

individual securities. Alternatively, it may be that one of the model portfolios developed by our Firm would be the best fit for your needs.

Our firm mainly uses equity securities, exchange traded funds, investment company securities, corporate securities, municipal securities and U.S. government securities in its portfolio management programs.

However we construct your investment portfolio, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

We recommend that you review the statement(s) you receive from the qualified custodian. If you see something that is incorrect, please call our main office number, located on the cover page of this brochure.

### ***Financial Planning Services***

We offer broad based financial planning including tax planning, charitable gifting strategies, risk and insurance analysis and estate and retirement planning. GHA strives to achieve a client's long-term financial goals by implementing a financial planning process that may include any or all of the following steps:

- Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc.
- Identification of a client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic and measurable. All goals include time horizons.
- Resolution of finance related problems. Obstacles to achieving financial independence are identified so that resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow or a high tax burden.
- Plan Design. A written financial plan is prepared that includes recommendations and solutions to any financial related problems.
- Implementation of the financial plan. The financial plan is finalized and agreed upon. The recommendations and solutions are executed to reach the desired goals and objectives.
- Evaluation of the financial plan is conducted periodically. The financial planning service provides periodic review and revision of the plan to ensure that the financial goals are achieved.

Financial plans are based on your financial situation and the financial information you provide to our Firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

We also provide financial planning services that cover a specific area, such as retirement or estate planning. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage Firm of your choice.

### ***Pension Consulting Services***

GHA provides several pension consulting related services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, GHA will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

### ***Investment Policy Statement Preparation***

GHA will meet with the client (in person or over the telephone) to determine the client's investment needs and goals. GHA will then prepare a written Investment Policy Statement ("IPS") stating those needs and goals and creating a policy to help achieve these goals. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

### ***Selection of Investment Vehicles***

GHA will review various investments, consisting of one or all of the following: individual equities, bonds, other investment products and mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the Investment Policy Statement.

### ***Monitoring of Investment Performance***

Client investments will be monitored continuously based on the procedures and timing intervals outlined in the Investment Policy Statement. Although GHA will not be involved in any way in the purchase or sale of these investments, GHA will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

### ***Employee Communications***

For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in his/her own account (hereinafter "self-directed plans"), GHA also provides educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by GHA and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Other pension consulting services are available on request. All of our pension consulting services, whether general or customized, will be outlined in an agreement that shows the services that will be provided and the fees that will be charged for those services.

**Wrap Fee Programs**

GHA does not participate in wrap fee programs.

**Assets Under Management**

As of January 15, 2019, we manage discretionary assets under management of approximately \$129,603,189 and non-discretionary assets under management of \$0.

**Fees and Compensation - Item 5**

GHA charges a percentage of assets under management, hourly charges, fixed fees (not including subscription fees) or other fees for its advisory services.

**Portfolio Management Services**

If you decide to engage GHA for portfolio management services, we will charge an annual fee based upon a percentage of the market value of the assets being managed. Our fee for portfolio/asset management services is set forth in the following fee schedule:

| <b><u>Assets Under Management</u></b> | <b><u>Annual Fee</u></b> |
|---------------------------------------|--------------------------|
| Up to \$300,000                       | 1.00%                    |
| \$300,001 - \$900,000                 | 0.95%                    |
| \$900,001 - \$2,000,000               | 0.80%                    |
| Over \$2,000,000                      | 0.75%                    |

GHA allows the accounts for members of the same household to be combined for fee paying purposes. We combine the account valuations to assist you in meeting fee breakpoints and therefore lowering the overall fee level. GHA extends this option to all accounts residing in the same household.

GHA will either bill you directly for payment of our fees or the fees will be deducted from your account. Fees are billed quarterly, in arrears and are based on the value of your portfolio on the last day of the quarter. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client asset account to facilitate billing. The client must consent in advance to direct debiting of their account.

If you choose to have GHA's fee deducted directly from your account, you must provide authorization. The qualified custodian holding your funds and securities will send you an account statement at least quarterly. This statement will detail account activity. Please review each statement for accuracy. GHA will also receive a copy of your account statements from the custodian.

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

At the inception of investment management services, the first quarter's fees will be calculated on a pro-rata basis. The Advisory Agreement between GHA and the client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. GHA's annual fee will be

pro-rated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

### **Financial Planning Services**

GHA may provide its clients with financial planning and consulting services. GHA will charge a fixed fee and/or hourly fee for consulting services. Our consulting fees are negotiable. We utilize the following financial planning fee schedules:

- *Fixed Fees:* GHA will charge a fixed fee that ranges from \$1,000.00 to \$10,000.00, for broad based planning services. *In limited circumstances*, the total cost could potentially exceed \$10,000.00. In such cases, we will notify the client and may request that the client pay an additional fee.
- *Hourly Fees:* GHA charges an hourly fee of \$300 for clients who request specific services (such as a modular plan or hourly consulting services) and do not desire a broad based written financial plan.

If the client engages GHA for additional investment advisory services, GHA may offset all or a portion of its fees for those services based upon the amount paid for the consulting services.

Prior to engaging GHA to provide consulting services, the client will generally be required to enter into a written Agreement with us. The Agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Generally, GHA requires one-half of the consulting fee (estimated hourly or fixed) payable upon entering the written Agreement. The balance is generally due upon the completion of the agreed upon services. Either party may terminate the Agreement by written notice to the other. In the event the client terminates GHA's consulting services, the balance of GHA's unearned fees (if any) shall be refunded to the client.

### **Pension Consulting Services Fees**

The compensation arrangement for these services will be based on hourly fees or fees based on a percentage of assets under management:

- *Hourly Fees:* GHA charges an hourly fee of \$300. Our hourly fees are calculated and invoiced to the client quarterly in arrears.
- *Fees Based on a Percentage of Assets:* GHA charges an annual fee based upon a percentage of the market value of the assets in the plan. Fees are set forth in the following fee schedule:

| <b><u>Plan Assets</u></b> | <b><u>Annual Fee</u></b> |
|---------------------------|--------------------------|
| Up to \$1,000,000         | 0.25%                    |
| \$1,000,001 - \$3,000,000 | 0.20%                    |
| Over \$3,000,000          | 0.15%                    |

Fees are paid by the plan administrator on a quarterly basis, in arrears. If you choose to have GHA's fee deducted directly from your account, you must provide authorization. The qualified custodian holding your funds and securities will send you an account statement quarterly. This



statement will detail account activity. Please review each statement for accuracy. GHA will also receive a copy of your account statements from the custodian.

Pension Consulting Services will be negotiated on a case-by-case basis and the exact fee paid by the client and the payment arrangements will be clearly stated in the pension consulting Agreement signed by the client and the firm.

### **Additional Fees and Expenses**

The fees GHA charges may be negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of an advisory client.

All fees paid to GHA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without the services of GHA. In that case, the client would not receive the services provided by GHA, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by GHA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Massachusetts Residents - Pursuant to 950 CMR12.205 (8)(d), the disciplinary history, if any, of all investment advisors and their representatives may be obtained by calling The Massachusetts Securities Division at (617) 727-3548.

Disclosures required by California Code of Regulations, 10 CCR Section 260.235.2: A conflict exists between the interests of the investment adviser and the interests of the client, the client is under no obligation to act upon the investment adviser's recommendation, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

While the firm endeavors at all times to offer clients its specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by GHA (CCR Section 260.238(j)).

### **Compensation for the Sale of Securities or Other Investment Products**

#### *Registered Representatives:*

Associated Persons who provide investment advice on behalf of our Firm may also be registered representatives with The Investment Center, Inc. ("TIC"), a securities broker/dealer registered with the

Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). As a registered representative, an Associated Person may receive commission-based compensation for buying and selling securities, including 12b-1 fees (trails) for the sale of mutual funds or annuity products. This commission compensation is separate and in addition to GHA's advisory fees.

GHA's advisory clients are not obligated to purchase the products or services of TIC. You may purchase or sell securities apart from your advisory account at the brokerage Firm of your choice. The sale of mutual funds, annuity contracts, insurance instruments and other commissionable products offered by Associated Persons of GHA through TIC are intended to compliment GHA's advisory services. However, a conflict of interest exists due to the receipt of dual forms of compensation. Principals of GHA regularly review client transactions to ensure that GHA is acting in the best interest of its clients.

GHA recommends many types of securities, including mutual funds to its advisory clients. Where GHA does recommend a mutual fund to an advisory client, GHA will generally recommend a no-load mutual fund. In situations outside of GHA's advisory accounts where Associated Person acting in the capacity of a registered representative of TIC recommends a mutual fund, both no-load and 'loaded' funds options may be presented to the client. It may be the case that GHA may receive advisory fees in addition to commissions and/or markups earned by Associated Person for the sale of securities.

All conflicts of interest between you and our Firm, and the Associated Persons of our Firm, are outlined in this Disclosure Brochure. If additional conflicts arise in the future, we will notify you in writing or supply you with an updated Disclosure Brochure.

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

We and our Associated Persons do not accept performance based fees. Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets.

#### **Types of Clients - Item 7**

We offer investment advisory services to individuals, pension and profit sharing plan participants, trusts, estates, charitable organizations, corporations, and other business entities.

GHA has no minimum requirements for opening or maintaining an account.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- Fundamental Analysis – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- Technical Analysis – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market

trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.

- Cyclical Analysis – cyclical analysis is a technique that looks at cycles, specifically analyzing the way prices follow certain patterns and trends.

We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – securities held for over a year.
- Short Term Purchases – securities held for less than a year.
- Trading – securities held for less than 30 days.

Although trading is not used as part of GHA's overall investment strategy, Associated Persons of the Firm may employ this strategy on a limited basis where they determine that this strategy is suitable given the client's stated investment objectives and risk tolerance.

The investment advice provided along with the strategies suggested by GHA will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult

to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Futures and Options:** Options and futures contracts on securities carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared." A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

#### **Disciplinary Information - Item 9**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us.

On November 16, 2015, the Massachusetts Securities Division issued a Consent Order, entered into with GHA and Matthew M. Babson, relating to Mr. Babson's lapsed CPA designation. The Securities Division found that the respondents had inaccurately listed Mr. Babson's qualifications as a CPA in various Form ADV filings. We agreed to a censure, cease-and-desist order, and a fine of \$25,000, and to retain the services of an independent consultant to conduct an annual compliance review of our firm for the next two years.

A copy of GHA's and Mr. Babson's disciplinary history can be obtained from the Massachusetts Securities Division:

Massachusetts Securities Division  
One Ashburton Place, 17th Floor  
Boston, MA 02108  
Phone 617-727-3548  
Fax: 617-248-0177  
Email: [securities@sec.state.ma.us](mailto:securities@sec.state.ma.us)

**Other Financial Industry Activities and Affiliations - Item 10**

Matthew M. Babson is the sole owner of Babson & Company ("B&C"), an accounting firm. Mr. Babson is also an owner of GHA. Although B&C and its employees share office space with GHA, clients of GHA are instructed that the accounting services provided by Mr. Babson on behalf of B&C are separate and distinct from any advisory services offered through GHA. GHA expects that clients of the Firm may also be clients of B&C for whom Mr. Babson provides accounting services. As such, clients of GHA are instructed that they are under no obligation to use the accounting services of Mr. Babson and/or B&C. Where clients of GHA are also clients of B&C, clients are informed that fees charged by GHA for investment advisory services are separate and distinct from the fees charged by B&C for accounting services. Mr. Babson has no signatory authority of clients' accounts. Mr. Babson spends over 75% of his time providing accounting services through B&C.

Donna Crocker, President, is separately licensed as registered representative with The Investment Center, Inc. ("TIC"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA").

As a dually licensed representative, Ms. Crocker will receive commissions for the purchase and sale of securities and annuity products. This commission revenue is separate and in addition to revenue received from advisory fees. Ms. Crocker may make differing recommendations with respect to the same securities to different advisory clients. All recommendations made by Ms. Crocker are specific to each client's individual needs and current financial situation.

Donna Crocker, President, is also an investment adviser representative with IC Advisory Services, Inc. The recommendation by GHA and/or Ms. Crocker that a client seek investment advisory services from IC Advisory Services, Inc. presents a potential conflict of interest, as GHA and/or Ms. Crocker could have the incentive to make such a recommendation based on fees received from that client, rather than on that particular client's needs. Accordingly, GHA and its representatives generally do not refer clients to IC Advisory Services, Inc. to receive investment advisory services. Clients are reminded that they are not under any obligation to pursue investment advisory services from IC Advisory Services, Inc.

Donna Crocker, President, is also a licensed insurance agent and can effect transactions in various insurance products, including life, health, disability, long-term care, and annuities among others. Ms. Crocker earns commissions for these activities. The Firm expects that clients to whom it offers advisory services may also be clients for whom Ms. Crocker acts as an insurance agent. Clients are instructed that the fees paid to the Firm for advisory services are separate and distinct from the commissions earned by Ms. Crocker for placing the client in insurance products. Clients to whom the Firm offers advisory services are informed that they are under no obligation to use the Firm's Associated Persons for insurance services and may use the insurance brokerage Firm and agent of their choosing.

These arrangements represent a conflict of interest due to the receipt of both advisory and commission compensation. GHA has policies and procedures in place to monitor all client transactions. Where GHA finds an Associated Person has not acted in the best interest of the client, GHA may cancel the transaction. Alternatively, GHA may deduct the commission costs from the advisory fee paid by the client. In any event, all client transaction costs will be disclosed to the client. Ms. Crocker spends about 50% of her time in her capacity as an insurance agent and registered representative of TIC.

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

#### **Description of Our Code of Ethics**

GHA has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes GHA's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of GHA's Code of Ethics is available upon request to the Chief Compliance Officer at GHA's principal office address.

#### **Personal Trading Practices**

At times, GHA and/or its Advisory Representatives may take positions in the same securities as clients, which may pose a conflict of interest with clients. GHA and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

### **Brokerage Practices - Item 12**

Principals and Investment Adviser Representatives of GHA are registered representatives of TIC. If a client chooses to implement advice through these Principals and Investment Adviser Representatives, the broker/dealer used for client accounts is TIC. TIC performs "due diligence" on mutual funds, limited partnerships, and insurance products. Only those investments that meet Firm requirements will be on the TIC "approved product list" and be offered for sale to clients.

For GHA's portfolio management programs, we recommend and request clients to implement trades and maintain custody of assets through discount brokers. We will recommend the services of Fidelity Investments ("Fidelity"). Fidelity is an independent and unaffiliated broker dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Fidelity offers independent investment advisers services, which include custody of client securities, trade execution, clearance and settlement of transactions, and daily research and investment information.

#### **Research and Other Soft Dollar Benefits**

GHA may receive benefits from Fidelity for various services that include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to the Firm in the performance of its investment decision-making responsibilities. Such research products and services are provided to all investment advisers who utilize the custodian, and are not considered to be paid for with soft dollars. However, the commissions charged by a particular broker for a particular transaction, or set of transactions, may be greater than the amounts another broker who did not provide research services or products might charge.

GHA understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all GHA clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While GHA may not always obtain the lowest commission rate, GHA believes the rate is reasonable in relation to the value of the brokerage and research services provided.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

Associated Persons who are registered representatives of TIC are subject to FINRA Conduct Rule 3040 that restricts these registered individuals from conducting securities transactions away from TIC unless TIC provides the representative with written authorization. Therefore, GHA reserves the right to not accept a Client account if the Client wishes to select a broker or dealer/custodian other than TIC or Fidelity. Due to the nature of its advisory services, GHA does not have the authority to negotiate commissions or obtain volume discounts, although GHA will attempt, to achieve best execution of transactions.

#### **Trade Aggregation**

While individual client advice is provided to each account, client trades may be executed as a block trade. GHA encourages its existing and new clients to use Fidelity. Only accounts in the custody of Fidelity would have the opportunity to participate in aggregated securities transactions. All trades using Fidelity will be executed under our name. The executing broker will be informed that the trades are for the account of GHA's clients and not for GHA itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and GHA will not aggregate a client's order if in a particular instance GHA believes that aggregation would cause the client's cost of execution to be increased. Fidelity will be notified of the amount of each trade for each account. GHA and/or its Advisory Representatives may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that clients will receive fair and equitable treatment.

### **Review of Accounts - Item 13**

#### ***Portfolio Management Account Reviews***



GHA monitors the individual investments within GHA's portfolio management program each day the market is open. Portfolio performance is reviewed, at a minimum, on a quarterly basis. GHA offers portfolio management clients an in-person portfolio review meeting on an annual basis.

A financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan. Clients that have contracted with GHA for financial planning services as well as portfolio management services will receive a review and update to their financial plan for no additional charge. However, where there are extraordinary circumstances, GHA may, in its discretion, charge these clients an additional fee for updating the financial plan. Clients that have contracted with GHA for financial planning services only will receive a review and update to their plan upon request and for an additional fee.

Donna Crocker, President, or the client's Advisory Representative performs all account reviews for compliance with client's established investment policy statement. The Chief Compliance Officer and other designated staff monitor the portfolios and financial plans for investment objectives and other supervisory review. Triggering factors that stimulate additional reviews of a client's account include, but are not limited to, changes in economic conditions, changes in the client's financial situation, and the client's request for an additional review.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. Additionally, GHA may provide performance reports upon client's request.

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

We do not receive economic benefits from third parties in exchange for providing investment advice or other advisory services to our clients.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

#### **Custody - Item 15**

We are deemed to have custody of client assets solely because of the fee deduction authority granted by the client in the investment advisory agreement and in certain situations where we accept standing letters of authorization from clients to transfer assets to third parties. We maintain safeguards in accordance with regulatory requirements regarding custody of client assets.

Clients sign separate contracts with custodians that are independent of their contracts with us. Clients will receive account statements directly from the qualified custodian at least quarterly. They will be sent to the email or postal mailing address you provided to the custodian(s). You should carefully review those statements promptly when you receive them. Clients are encouraged to review custodial account statements for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

#### **Investment Discretion - Item 16**



GHA offers Portfolio Management Services to its advisory clients on both a discretionary and non-discretionary basis. GHA will manage client accounts on a discretionary basis if the client has granted discretionary authority in the client Advisory Agreement. Discretionary authority extends to the type and amount of securities to be bought and sold and do not require advance client approval. However, GHA does not have the ability to withdraw funds or securities from the client's account.

In a non-discretionary account, an Associated Person of GHA recommends the purchase or sale of securities for review and approval by their clients. GHA will only purchase or sell securities, which have been approved by clients in advance.

You may limit this authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

### **Voting Client Securities - Item 17**

#### **Proxy Voting**

GHA does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

### **Financial Information - Item 18**

We are required in this Item to provide you with certain financial information or disclosures about GHA's financial condition. GHA does not require the prepayment of over \$500, six or more months in advance. Additionally, GHA 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.

### **Requirements for State-Registered Advisors - Item 19**

**This section is not applicable because our firm is SEC registered.**

### **Miscellaneous**

#### **Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. GHA has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the Firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other

materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

#### **Trade Error Correction Procedures**

On infrequent occasions, an error may be made in a client account. For example, a security may be erroneously purchased for the account instead of sold. In these situations, the Firm generally seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including among others canceling the trade or adjusting an allocation. Any losses resulting from error correction will be placed in GHA's error correction account. Gains will be credited to the client.

#### **Confidentiality**

GHA views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure.

GHA does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, GHA may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

GHA restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. GHA maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the Firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the Firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the Firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the Advisory Agreement. Thereafter, the Firm will deliver a copy of the current privacy policy notice to its clients on an annual basis. If you have any questions on this policy, please contact Anke Parpart at (978) 283-7010.

Massachusetts regulation (950 CMR 12.205(9)(c)(13); M.G.L. c.110A) forbids the Firm to share any information, which qualifies as private unless the investor specifically agrees thereto, or "opts in." Hence, prior to sharing information with any third parties, the Firm must obtain a signed statement in which the client consents to the disclosure of such information.