

Part 2A of Form ADV: *Firm Brochure*

Highland Consulting Associates International, Inc.

159 Crocker Park, Suite 350
Cleveland, Ohio 44145

Telephone: 440-899-1121
Email: rveres@hcaintl.net
3/22/2019

This brochure provides information about the qualifications and business practices of Highland Consulting Associates International, Inc. If you have any questions about the contents of this brochure, please contact us at 440-899-1121 or rveres@hcaintl.net. 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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Highland Consulting Associates International, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 282906.

Item 2 Material Changes

This Firm Brochure, dated 03/22/2019, provides you with a summary of Highland International's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The material changes in this brochure from the last annual updating amendment of Highland International on 03/28/2018 are described below. Material changes relate to Highland International's policies, practices or conflicts of interests.

- Item 4 and Item 8 have been updated to more accurately reflect the types of securities that are typically recommended by Highland International.
- Item 10 has been updated to reflect the use of third-party advisers and to clarify the relationship between Highland Consulting and Highland International.
- Item 12 now clarifies that Highland International allows Directed Brokerage. The choice of custodians and broker-dealers used is up to the client.

Item 3 Table of Contents

Table of Contents

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

Item 4 Advisory Business

Highland Consulting Associates International, Inc. ("**Highland International**") was incorporated in 2014 and is a wholly owned subsidiary of Highland Consulting Associates, Inc. ("**Highland Consulting**"), a registered investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Highland Consulting and Highland International have the same principal office and place of business in Cleveland, Ohio.

Highland International is *a registered investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940* and registered as an adviser in the category of portfolio manager with the Ontario Securities Commission and with the Autorite des marches financiers (Quebec). Highland International was formed to provide investment consulting services to institutional clients located outside of the United States. Highland International began conducting business in 2016.

Listed below are the Highland International's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Highland Consulting Associates, Inc.

In addition, the following identifies individuals that indirectly own 25% or more of Highland International:

- Richard Veres, President

Highland International offers the following advisory services to our clients:

INVESTMENT ADVISORY SERVICES

Highland International provides investment advisory services. We provide continuous advice to clients regarding investments based on the individual needs of each client. Through discussions in which goals and objectives based on each client's particular circumstances are established, we assist the client in developing an investment policy and base our services on that policy. During our data-gathering process, we help determine each client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history.

Highland International provides services to clients on a non-discretionary basis. This means that the firm had no discretion over the specific investments held in client portfolios. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may place restrictions on investments related to certain securities, types of securities, or industry sectors.

Our investment recommendations are generally limited to mutual funds, ETFs, hedge funds, private equity funds, venture capital funds, private placements and other money managers. Highland International may use other securities as well to help diversify a portfolio when applicable and may include advice regarding the types of investments held by the various

products mentioned.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

As part of the process, we will assist the client in reviewing and monitoring fees associated with investments as well as other related costs (e.g. custody).

INSTITUTIONAL RETIREMENT PLAN CONSULTING SERVICES

Highland International provides institutional retirement plan consulting services. The primary clients for these services will be the plan sponsors of defined benefit and defined contribution plans, however, we may also offer these services, where appropriate, to other entities. Highland International provides services to clients on a non-discretionary basis. This means that the firm had no discretion over the specific investments held in client portfolios. Institutional Retirement Plan Consulting Services are comprised of three distinct services. Clients may choose to use any or all of these services.

Investment Policy Preparation:

We will meet with the client to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then assists with the preparation of a written investment policy detailing those objectives, constraints, etc., including an encompassing policy under which these goals are to be achieved. The investment policy also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investments:

We will assist the client, where appropriate, in developing an asset allocation or asset allocation model. We will also review various investment managers and available investment vehicles to determine which investments are appropriate to implement the client's investment policy. The number of investments to be recommended will be determined by the client, based on the investment policy.

Monitoring of Investments:

We monitor client investments continually, based on the procedures and timing intervals delineated in the investment policy. We monitor the client's portfolio, including individual managers, and will make recommendations as market factors and the client's needs dictate. As part of the process, we will assist the client in reviewing and monitoring fees associated with investments as well as other related costs (e.g. recordkeeping, custody, etc.).

AMOUNT OF ASSETS UNDER MANAGEMENT

As of 12/31/2018, we managed approximately \$101,482,636 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

FEES FOR INVESTMENT ADVISORY SERVICES AND INSTITUTIONAL RETIREMENT PLAN CONSULTING

Our annual fees for Investment Advisory Services are generally based on a percentage of assets under management and vary based on the scope of the engagement. Fixed fee arrangements may be negotiated in certain situations.

Clients are invoiced in advance at the beginning of each calendar quarter based upon the value of the client's account at the end of the previous quarter.

A minimum level of assets under management is generally required for this service. This account size may be negotiable depending on certain circumstances. Highland International may group together certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Highland International retains the discretion to negotiate fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee structure. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Highland International for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs and/or other investment vehicles. These fees and expenses are described in each fund's prospectus or documentation. These fees will 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 our services. In that case, the client would not receive the services provided by our firm 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 objective. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians or other vendors and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s).

Please refer to the "Brokerage Practices" section (Item 12) of the Form ADV for additional information.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

Highland International does not charge performance-based fees.

Item 7 Types of Clients

Highland International provides advisory services to the following types of clients:

- Defined benefit and defined contribution plans
- Charitable organizations
- Foundations and endowments
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice:

Asset Allocation. When applicable, we assist each client with attempting to identify an

appropriate ratio of equities, fixed income, cash, alternatives, and other investments suitable to the client's investment goals and risk tolerance. Highland International relies on asset allocation software and uses forward looking return, risk and correlation estimates to assist in this process.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, cash, alternatives, and other investments will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Investment Manager Analysis. Our analysis also focuses on the evaluation of money managers including those who manage mutual funds, separate accounts, commingled trust, stable value funds, hedge funds, fund of funds, private equity funds and other investments. One of our primary roles is to identify money managers whose strategies complement the investment objectives of our clients. Our evaluation of these managers includes analyzing a number of quantitative (position level data, performance attribution, etc.) and qualitative factors (investment philosophy, team structure, engagement of portfolio managers, etc.) to gain a better understanding of the manager's credentials, process of investing, historical performance relative to appropriate benchmarks, pricing and other measures. To help accomplish this, Highland International relies on a number of tools, models and purchased datasets, and also participates in numerous conversations and onsite visits with investment managers.

Highland International assists its clients by helping them to formulate an investment strategy appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

Risks for all forms of analysis. Our analysis methods rely on the assumption that data, including data provided by managers, is accurate and unbiased. Highland International also relies on purchased manager data and other information that allows us to corroborate manager provided data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

RISKS OF INVESTMENT STRATEGIES

Selection of Other Advisers: Although Highland International will seek to select only money managers who will invest clients' assets with the highest level of integrity, Highland International's selection process cannot ensure that money managers will perform as desired and Highland International will have no control over the day-to-day operations of any of its selected money managers. Highland International would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud. In monitoring and analyzing the third-party advisers, Highland International uses benchmarking analysis, assessing whether the adviser's performance has met, exceeded, or fallen short of comparable benchmarks (e.g., Russell 2000, S&P 500, etc.), together with comparison against any stated benchmarks the adviser has set for itself.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

RISKS OF SPECIFIC SECURITIES UTILIZED

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond (fixed income) nature or stock (equity) nature, or a mix of multiple underlying security types.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

Hedge Funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; may involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

Private Equity Funds: In addition to the risks associated with hedge funds, there are risks specifically associated with investing in private equity. Capital calls can be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

Venture Capital Funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

Private Placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Index Funds employ a strategy that aims to replicate the movements of an index of a specific financial market (which may include debt securities), or a set of rules of ownership that are held constant, regardless of market conditions. Products that utilize an index tracking strategy may suffer a risk of loss, including as a result of tracking error. Imperfect correlation between a portfolio of securities and those in the underlying index, rounding of prices, changes to the underlying index and regulatory requirements may cause tracking error, which is the divergence of the portfolio's performance from that of the underlying index. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because a portfolio incurs fees and expenses while the underlying index does not.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Neither Highland International nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

Neither Highland International nor its representatives are registered as or have pending applications to become either a Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Highland International is a wholly owned subsidiary of Highland Consulting, a registered investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Highland Consulting and Highland International have the same principal office and place of business in Cleveland, Ohio. Highland International was formed to provide investment consulting services to institutional clients located outside the United States. Through a professional services agreement between the two firms, Highland Consulting has agreed to provide certain administrative services to Highland International and to second personnel to Highland International to perform investment and investment consulting services for the benefit of Highland International's clients in exchange for a fee.

Highland International may recommend third-party investment advisers to clients. Clients will pay Highland International a fee in addition to the fees paid to third-party investment advisers. The fees will not exceed any limit imposed by any regulatory agency. Highland International will

always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Highland International and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Highland International's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to roveres@hcaintl.net, or by calling us at 440-899-1121.

Highland International and individuals associated with our firm are prohibited from engaging in principal transactions.

Highland International and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Highland Consulting does not recommend that clients buy or sell any security in which Highland Consulting or a related person has a material financial interest.

Item 12 Brokerage Practices

Highland International does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Highland International is an independent investment adviser and is not affiliated with any brokerage firm. Clients may enter into arrangements with third parties for custodial and brokerage services.

Highland International may advise a client, upon request, with regard to Client's selection of broker-dealers to provide additional services. Highland International's primary consideration

in making a recommendation will be the broker's ability to provide best execution of trades. In making a determination about best execution (and subject to section 28(e) of the *Securities Exchange Act of 1934*, as amended), Highland International may consider a number of factors including, but not limited to, trade price, speed of execution, certainty of execution, overall transaction costs and the quality of research or brokerage services the broker may provide. Highland International is not obligated to solicit competitive bids for any transaction and commission rates are only one of many factors considered by Highland International.

Highland International receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

1. Brokerage for Client Referrals

Highland International receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

2. Clients Directing Which Broker/Dealer/Custodian to Use

Highland International may permit clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage.

Item 13 Review of Accounts

INVESTMENT ADVISORY SERVICES

REVIEWS: While the underlying securities within an Investment Advisory Service accounts are continually monitored, these accounts are reviewed, unless otherwise agreed, at least quarterly by a consultant or team of consultants assigned to the account. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their custodian or broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

INSTITUTIONAL RETIREMENT PLAN CONSULTING SERVICES

REVIEWS: Highland International will review the client's investment policy with the client on at least an annual basis and whenever the client advises us of a change in circumstances regarding the needs of the plan or their institution. Highland International will also review the asset allocation, if applicable, and the investments or investment options of the plan according to the agreed upon time intervals established in the investment policy. Such reviews will generally occur quarterly.

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory relationship.

Item 14 Client Referrals and Other Compensation

It is Highland International's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Highland International's policy not to accept or allow our related persons to accept any material form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

Our firm does not have actual or constructive custody of client accounts.

In some situations, a client may direct that an advisory fee be deducted directly from the client's accounts. This occurs only after a client has provided the requisite direction and authorization to the appropriate parties.

The custodian is required, on at least a quarterly basis, to send to the client a statement showing all transactions, including any payments of advisory fees, within the account during the reporting period. It is important for clients to carefully review their custodial statements to verify its accuracy, among other things. Clients should contact Highland International or their custodian if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also provide a detailed portfolio summary directly to our clients on a quarterly basis, unless Highland International and the client otherwise agree. We encourage our clients to carefully compare the information contained in their custodial statements with that presented in the quarterly portfolio summary, to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Highland International provides services to clients on a non-discretionary basis. This means that the firm had no discretion over the specific investments held in client portfolios.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

As an advisory firm we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Highland International has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement with this brochure.

Highland International has never been the subject of a bankruptcy petition.