

Item 1: Cover Page

ADV Part 2A of Form ADV Investment Adviser Brochure

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This Part 2A of Form (“brochure”) provides information about the qualifications and business practices of Harborview Asset Management LLC. If you have any questions about the contents of this brochure, please email us at cdavis@harborviewam.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 Harborview Asset Management LLC is available on the SEC’s website at: www.adviserinfo.sec.gov. You can search for us by typing our firm name or our identifying CRD number, 332767.

Item 2. Material Changes

Harborview Asset Management is required to advise clients and prospective clients of any material changes to our Firm Brochure (“Brochure”) from our last annual update. We are a new adviser, and this is our first Brochure. In the future, we will use this section to identify material changes that may take place between annual updates.

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Item 4. Advisory Business

Firm Description

Harborview Asset Management LLC (“we,” “us,” “our,” or “Harborview Asset Management”), a Washington limited liability company, was formed in 2020 and is 100% owned by Craig Davis. Craig Davis and Richard K. Baird are the firm’s two principals and are jointly responsible for developing and implementing the firm’s management strategies. Harborview Asset Management was registered as an investment adviser in 2024.

Types of Advisory Services

Harborview Asset Management provides investment management to our clients. We work with you to understand your investment goals and objectives, risk tolerance, investment time horizon, and cash flow needs in order to create an initial portfolio for you. Once we identify your circumstances and investment needs, we invest your portfolio using one or more of our strategies, or models, as the guide.

While our focus is on investments in fixed income securities, and municipal securities in particular, we also manage investments in publicly traded equities. We do not recommend private investments.

We have two fixed income strategies, a tax-exempt (municipal) securities strategy and a taxable (corporate and taxable municipal) fixed income securities strategy, and a third single long equity strategy. Given that municipal securities are a focus for us for investing, we generally work with non-qualified accounts (not IRAs and other tax-qualified accounts). Please see **Item 8. Methods of Analysis, Investment Strategies & Risk of Loss** of this brochure for details about our investment strategies.

Each client portfolio is initially designed to meet a particular goal within the client’s specific circumstances. We provide continuous and regular supervision and management of your account(s), typically on a discretionary basis, which means we do not need your approval to execute transactions in accounts under our management.

Sub-Advisory Services

We act as a sub-adviser to a small number of other investment advisers, also known as third-party advisers (“TPA”). The TPA selects Harborview Asset Management to manage separate accounts overseen by the TPA. Our agreement is with the TPA in this situation, not with the end client, and the TPA retains the discretionary authority to hire us, as well as to terminate our services. The TPA is responsible for determining that our strategies are appropriate for the TPA’s clients and for ongoing monitoring of our management in light of their own client’s needs.

Consulting Services

We consult with other investment advisers on an exceptional basis. We do not have discretionary authority in this situation, but instead will make recommendations that need to be approved by the TPA. Once approved, we will effect the trades in the end-client’s account, typically through an institutional trade away relationship.

Client-Tailored Relationships

As a fiduciary, Harborview Asset Management places your interests ahead of its own and always acts in your best interests. Your portfolio is customized based on your investment objectives, risk tolerance, and other factors specific to your situation. We are able to accommodate reasonable client requests or restrictions in our portfolio construction. We are not able to accept restrictions that we believe, in our sole judgment, are too operationally onerous to administer or that we believe will not serve the client's best interest or are inconsistent with the fiduciary duty we owe to clients. If we cannot come to agreement with clients about reasonable restrictions, we will decline the advisory agreement. Any client-imposed restrictions will be documented in writing.

Important Information for Retirement Investors

When we recommend that you roll over retirement assets or transfer existing retirement assets, such as a 401(k) or an IRA, to our management, we have a conflict of interest. This is because we will generally earn additional revenue when we manage more assets. In making the recommendation, however, we do so only after determining that the recommendation is in your best interest. Further, in making any recommendation to transfer or rollover retirement assets, we do so as a "fiduciary," as that term is defined in ERISA or the Internal Revenue Code, or both. We also acknowledge we are a fiduciary under ERISA or the Internal Revenue Code with respect to our ongoing investment advisory recommendations and discretionary asset management services, as described in the advisory agreement we execute with you. To the extent we provide non-fiduciary services to you, those will be described in the advisory agreement.

Participation in Wrap Fee Programs

We do not sponsor or participate in a Wrap Fee Program.

Assets Under Management

We are a new adviser and therefore do not have any assets under management.

Item 5. Fees & Compensation

We charge a percentage of the client's total portfolio assets under our management. Our maximum annual fee is .70%. Our fees are negotiable. We customize your fee based on factors such as total amount of assets we manage, the relative complexity of the relationship, and fees charged with a prior adviser.

Fees are calculated using the market value of your account assets using average daily balance of your account. Harborview Asset Management does not price securities or otherwise determine the value of securities for billing purposes. Instead, we rely on the position values provided by your custodian and as downloaded into our order management platform vendor.

We charge our investment management fees quarterly in arrears, which means we bill after the services have been provided. We deduct investment management fees directly from the custodial account holding your assets pursuant to the investment advisory agreement between us. If there is insufficient cash in the account to cover fees due to us, we will use our discretionary authority to liquidate adequate securities to pay the fees owed. For new accounts, we bill for partial quarters, prorated based on the number of days between when the account was funded and the end of the quarter.

Other Fees

In addition to our fees, custodial charges will also apply. See **Item 12. Brokerage Practices**, for more information. If we use a broker-dealer for execution other than Schwab, you will pay applicable transaction charges for such trades. If we select funds or exchange-traded funds for your portfolio, the managers of those funds also charge a management fee that is reflected in the fund's expense ratio and reduces returns over time.

Outside Compensation

Neither Harborview Asset Management nor its investment managers receive compensation outside of advisory fees we charge to clients.

Termination

Clients may terminate our services at any time in writing as described in the advisory agreement. When our agreement with you is terminated, we will no longer provide advisory services or charge fees after the termination date. We will charge for any fees accrued during the quarter, prorated from the start of the quarter through the date of termination. The termination date is determined by the date Harborview Asset Management received or gave the notice of termination, by a future date agreed upon in the notice of termination, or the date assets were transferred out of the custodial account, whichever is sooner.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. The custodian may assess additional fees for transfer of illiquid investments or transfer to a new custodian. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good faith estimate of these fees.

Item 6. Performance-Based Fees & Side-By-Side Management

We do not charge advisory fees based on a share of the capital appreciation of funds or securities in client's accounts.

Item 7. Types of Clients & Account Requirements

We provide services to the following types of clients:

- Individual and high net worth individuals
- Charitable organizations
- Trusts
- Corporations

Minimum Account Size

Our minimum account size is generally \$250,000. We grant exceptions for a client's related (smaller) accounts. Such exceptions are purely at the discretion of Harborview Asset Management.

Item 8. Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

When analyzing which fixed income securities to include in the firm's strategies, we look at a number of factors, including maturity/duration, credit quality, and structure, and we assess whether it's appropriate to swap out of securities at the appropriate time.

Investment Strategies

We have three primary investment strategies: a tax-exempt (municipal) securities strategy, a taxable fixed income (corporate and taxable municipal) securities strategy, and a long equity strategy. We also use smaller positions of mutual funds and/or ETFs with any of these three strategies to gain exposure in a specific investment area or asset class.

Our fixed income strategies focus on structure within the context of a high-quality portfolio. We generally purchase only investment grade (BBB or higher) fixed income securities. Our *Total Return Municipal Strategy* looks at duration and effective maturity, the interest rate environment, credit quality, and the interplay between coupon, call date, maturity date and extraordinary redemption provisions. We also tend to focus on essential service and general obligation municipal securities with a broad tax base, often with multiple sources of income; examples include utilities and general obligation bonds of school districts. For our *Taxable Strategy* we typically focus on credit analysis in an intermediate maturity framework. In both strategies, we examine opportunities for swapping out of securities when appropriate and other opportunities are potentially more favorable.

Our equity Absolute Return-Long Only strategies focuses on mid- to large-cap, higher quality, higher return on equity, higher sales growth, and mostly institutional type names (blue chips). We use a value, or contrarian growth, approach: we strive to own good companies when they're at lower prices and hold them longer. Our goal most frequently is long-term capital gains

Risk of Loss

All investing involves risks that clients must be prepared to bear. Below are some of the risks present with investing generally, as well as some key risks of different types of investments. In general, investing in securities with concentrated exposures to (i) particular asset class(es) and/or (ii) a particular sector and/or (iii) one or a select few markets involves greater risk than investing in investments that have greater diversification.

Call Risk: Bonds or other fixed income securities, as well as some structured notes, that are callable carry an additional risk because they may be called prior to maturity depending on current interest rates. Calls increase the likelihood of reinvestment risk.

Concentrated Stock Risk: Investors may hold a large amount of their overall wealth in one security. This creates additional volatility as single stocks generally have more volatility than a basket of stocks. Investors may hold concentrated stock positions for a number of reasons such as regulatory restrictions or tax implications. Regardless of the reason, concentrating wealth into one position creates additional volatility both positively and negatively.

Counterparty Risk: This is the risk that the other party to a contract will not fulfill its contractual obligations. Clients investing in debt instruments are typically exposed to greater counterparty risk than investors in liquid equities, for example.

Credit Risk: This is the risk that an issuer will default in the payment of principal and/or interest on a security. The price of a bond depends on the issuer's credit rating, or perceived ability to pay its debt obligations. Consequently, increases in an issuer's credit risk may negatively impact the value of a bond or structured note investment. This is a risk of all fixed-income investments, as well as structured notes we recommend.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange-rate risk.

Cybersecurity Risk: Cloud-based and data platforms connected to the internet which contain personal identifiable information may be acquired through online threats by outsiders and may be used to fraudulently transfer or steal assets. We utilize strong internal controls around cybersecurity and conduct due diligence with prospective and existing vendors; however, the potential for cybersecurity incidents is real in today's cyber environment even with effective controls in place.

Diversification Risk: The chance an investment's performance may be hurt disproportionately by the poor performance of an investment's holdings – the use of indexed funds is not guaranteed to track an intended market and may carry additional product risks.

Equity Risk: Prices of common stock react to the economic conditions of the company that issued the security; industry and market conditions; as well as other factors and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants and options may also vary widely. Market conditions may affect certain types of stocks (such as large-cap or technology-related) to a greater extent than other types of stocks. If the stock market declines, the value of a portfolio will also likely decline and, although stock values can rebound, there is no assurance that values will return to previous levels.

Exchange-Traded Funds: Exchange-traded funds ("ETFs") are funds bought and sold on a securities exchange that attempt to track the performance of a specific index (such as the S&P 500), a commodity, or a basket of assets (such as a set of technology-focused, country-specific, or other sector-specific stocks). The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in its being more volatile than the underlying securities. ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: the risk that their prices may not correlate perfectly with changes in the underlying index (tracking error); the risk that the ETF will trade at prices that differ, sometimes materially, from the ETF's net asset value; and illiquidity risk, especially for narrowly focused ETFs, including the risk of possible trading halts due.

Extraordinary Events: Global terrorist activity and armed conflicts may negatively affect general economic conditions, including sales, profits and productions, and may materially affect prices and/or impair our trading facilities and infrastructure or the trading facilities and infrastructure of our custodians, counterparties or the exchanges or markets on which we (they) trade.

Fixed Income Risk: Prices of fixed income instruments (e.g., bonds) can exhibit some volatility and change daily. Investments in fixed income instruments present numerous risks, including credit, interest rate, reinvestment and prepayment risk, all of which affect the price of the instruments. For instance, a rise in interest rates will generally cause the price of bonds to go down. If the security is held to maturity and the issuer does not default, the client should receive the face amount of the bond at the maturity date, as well as stated interest payments while the bond is held. In this case, the change in price prior to maturity may not affect the client. If the client needs to sell prior to maturity, however, the investor will likely experience a loss. Increases in the prevailing interest rates could have a material negative impact on the value of current fixed income holdings. In addition, the value of fixed income instruments may decline in response to events affecting the issuer, its credit rating or any underlying assets backing the instruments.

Where a client's fixed income exposure is to bond funds or fixed-income ETFs, the fund or ETF does not itself "mature," although different issues held by the fund/ETF will mature and will experience price fluctuations. Investors are therefore highly dependent on the manager's ability to accurately anticipate the impact of rate changes and to appropriately manage the portfolio to achieve both adequate returns and reasonable risk.

Foreign Market Risk: The securities markets of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the United States, and securities of some foreign companies are less liquid and more volatile than securities of comparable United States companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market, by large investors' trading significant blocks of securities, or by large dispositions of securities, than as it is in the United States. Further, many foreign governments are less stable than that of the United States. There can be no assurance that any significant, sustained instability would not increase the risks of investing in the securities markets of certain countries.

Inflation Risk: When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. This affects all investments, but longer-term fixed income securities are particularly susceptible.

Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. This risk is especially significant for existing holdings. Longer-term fixed income securities are particularly susceptible to this risk.

Legacy Holdings Risk: Securities that are brought to our firm which are not subsequently sold and fully diversified carry the potential for greater concentration and specific issuer risk in the portfolio that may result in more volatile results and a higher risk of loss than a fully diversified portfolio.

Leverage Risk: Although we do not typically employ leverage in the implementation of our investment strategies, leverage may be used for particular clients who have specific needs or more aggressive risk tolerance. More generally, some exchange-traded and closed-end funds, as well as some structured products, employ leverage. Leverage increases returns to investors if the investment strategy earns a greater return on leveraged investments than the strategy's cost of such leverage. However, the use of leverage exposes investors to additional levels of risk and loss that could be substantial.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Certain instruments may have no readily available market or third-party pricing. Structured notes usually have a limited secondary market and are often relatively illiquid. Reduced liquidity may have an adverse impact on market price and the ability to sell particular securities when necessary to meet cash needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult to obtain market quotations based on actual trades for the purpose of valuing the security. Clients should invest in structured notes, private securities, and other illiquid (or relatively illiquid) assets only to the extent they have adequate other liquid assets available to fund current and ongoing cash requirements.

Market Risk: The price of any security, including ETFs, equities, bonds or mutual funds may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Mutual Funds: These are professionally managed investments that pool money from multiple investors to purchase securities. Mutual funds may be broad-based (e.g., focused on the market overall, or focused on large-capitalization companies), or they can be narrower in scope, such as those focused on the technology industry or the securities of specific country. The risks of mutual funds are generally connected to the risks of the underlying securities they hold. Mutual funds do not trade on an exchange but are priced daily based on the net asset value of the securities held in the fund. Investors buy or sell fund shares based on that end-of-day price.

Regulatory Risk: The legal, tax, and regulatory environment worldwide in the financial industry is evolving, and changes in regulations affecting the financial industry, including the firm and the issues of financial instruments held in client accounts, may have a material adverse effect on our ability to pursue the investment strategies described in this brochure or the value of the instruments held in client accounts. There has been an increase in scrutiny of the financial industry by governmental agencies and self-regulatory organizations. Various national governments have expressed concern regarding the disruptive effects of speculative trading and the need to regulate the financial markets in general. New laws and regulations or actions taken by regulators that restrict our ability to pursue our investment strategies or conduct business with broker-dealers and other advisors or counterparties with whom we work could adversely affect client accounts.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to bonds, notes, and similar securities.

Sector Risk: The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall market; and style risk (for example growth investing risk and mid-cap company risk).

Small- and Mid-Cap Company Risk: Investments in small- and mid-cap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. Small- and mid-cap companies may be more vulnerable to economic, market, and industry changes.

Systemic Risk: These are risks inherent to the entire market or market segment. Systemic risk is also known as “undiversifiable risk,” and affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid.

Item 9. Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item.

Item 10. Other Financial Industry Activities & Affiliations

Neither Harborview Asset Management nor any of our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Harborview Asset Management nor any of our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

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

To fulfill our responsibilities as a fiduciary, we have adopted a Code of Ethics (the “Code”). The Code incorporates the following general principles that all employees are expected to uphold: (1) putting the clients’ interest first at all times; (2) conducting all personal securities transactions in such a manner to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility; (3) not taking inappropriate advantage of their position; (4) treating all client information as confidential, and (5) maintaining independence in the investment decision-making process.

In addition to guidelines concerning personal trading, the Code also addresses and governs the giving and receiving of gifts and entertainment, service on outside boards of directors and other outside business activities. Our personnel must periodically certify their compliance with the Code.

Please contact us at the telephone number or email address listed on the first page of this Brochure if you would like to receive a full copy of our Code of Ethics.

Conflicts Related to Harborview Asset Management or its Employees Trading for Their Own Account

Investments by Harborview Asset Management employees, for their own accounts, in securities that are also held in, or could be held in, client accounts could give the perception of interfering with our fiduciary duty of making decisions which are in the best interest clients and could otherwise have a disadvantageous effect on the values, prices or trading strategies of client portfolios. Our personal trading policy has been developed to address this particular conflict. Employees of our firm generally trade in-line with the firm's models, so our employees are invested in the same securities in which clients are invested. We always trade client accounts first before we trade our own personal accounts.

Item 12. Brokerage Practices

Recommendation of a Broker / Custodian; Factors Considered in our Recommendations

Harborview Asset Management does not maintain custody of your assets, although we are deemed to have custody of your assets when you give us authority to withdraw assets from your account to pay our fees (see Item 15—Custody, below). In all cases, client assets must be held with a “qualified custodian,” generally a broker-dealer or a bank. Although our clients sometimes open accounts with and we trade through other broker/dealers, we typically recommend Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian for your assets. However, when we act as a sub-advisor for a TPA, we will use the custodian(s) where the TPA's client(s) already have accounts. On an exceptional basis we will also use a custodian selected by the client (see the section below under **Directed Brokerage.**)

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities as we instruct them to. While we recommend you use Schwab, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We don't open the account for you, though we assist you with the process and handle the administrative aspects.

When considering whether the terms Schwab provides are overall most advantageous to you when compared with other available providers and their services, we consider a range of factors, including:

- Combination of transaction execution services and asset custody services, generally without a separate fee for custody
- Capability to execute, clear, and settle trades
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services and willingness to negotiate prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients

- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below

Schwab's Brokerage and Custody Costs

Schwab generally does not charge clients separate fees for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab is also compensated by earning interest on the uninvested cash in Schwab's Cash Features Program or on any margin balance maintained in Schwab accounts, and from other ancillary services.

Most trades no longer incur commissions or transaction fees, though there are exceptions. Schwab discloses its fees and costs to clients, and we take those costs into account when executing transactions on your behalf. Schwab charges you a flat dollar amount as "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

Certain mutual funds and ETFs are also made available for no transaction fee; as a result many confirmations show "no commission" for a particular transaction. Typically, the custodian (but not Harborview Asset Management) earns additional remuneration from such services as recordkeeping, administration, and platform fees, for the funds and ETFs on their no-transaction fee lists. This additional revenue to the custodian will tend to increase the internal expenses of the fund or ETF. Harborview Asset Management selects investments based on our assessment of a number of factors, including liquidity, asset exposure, reasonable fees, effective management, and low execution cost. Where we choose a no-transaction fee fund or ETF, it is because it has met our criteria in all applicable categories.

Products and Services Available to Harborview Asset Management from Schwab

Schwab Adviser Services™ is Schwab's business serving independent investment advisory firms like Harborview Asset Management. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), some of which are not typically available to Schwab retail customers. Certain retail investors, though, may be able to get institutional brokerage services from Schwab without going through us or another adviser. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to ask for them) and at no charge to us. Following is a more detailed description of Schwab's support services.

Schwab's Services that Benefit Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. These services generally benefit you and your account.

Schwab's Services that do not Directly Benefit Clients

Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data
- Facilitates trade execution and the allocation of blocked orders for multiple accounts
- Provide pricing and other market data
- Facilitate payment of Harborview Asset Management's fees directly from your account, if authorized in your advisory agreement
- Assistance with back-office functions, recordkeeping and client reporting

Schwab's Services that Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise, a number of which we make no use of (such as access to employee benefits providers and marketing consulting) but which are available. The services we do tend to make use of include:

- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Educational conferences and events
- Publications and conferences on practice management, business management, and industry data
- Occasional business entertainment of our personnel

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources. The software, technology, and account access Schwab provides create an operational and compliance benefit for Harborview Asset Management that does not necessarily translate directly into a client benefit. While we believe that Schwab is quite competitive and provides good value to our clients overall, the efficiencies provided to Harborview Asset Management create an incentive for us to recommend Schwab over other custodians, even though other custodians offer similar services and support. In some cases, this means that clients could pay more for custody and execution through the custodian we recommend than through others. This is a conflict of interest which we mitigate through disclosure. We also review the capacities and costs of Schwab periodically to ensure that our clients are receiving quality executions and competitive pricing, as well as more intangible service benefits.

Directed Brokerage

Because we typically execute your investment transactions through the custodian holding your assets, we are effectively requiring that you "direct" your brokerage to your custodian, absent other specific instructions as discussed below. Because we are not choosing brokers on a trade-by-trade basis, we may

not be able to achieve the most favorable executions for clients and this may ultimately cost clients more money. Not all investment advisers require directed brokerage.

As noted above, some clients will direct us to use brokers other than the custodian we recommend. If we agree to accommodate your request to do this, we will likely have little or no ability to negotiate commissions or influence execution price, and you will also not benefit from any trade aggregation we may implement for other clients. This may result in greater costs to you.

We do not use, recommend, or direct activity to brokers in exchange for client referrals.

Aggregated or Block Transactions

When it is advantageous to our clients and can be accomplished efficiently, we will aggregate client transactions with those of other client accounts at the same custodian, often referred to as a “block” or “bunched” trade. Accounts participating in a block trade share transaction cost on an equal and pro-rata basis. This results in client trades being executed and billed at the same price. Block trades can lower transaction costs and/or help clients achieve better execution. Applicable transaction charges are applied equally to each account participating in the transaction.

When we choose to place a block transaction, we issue instructions to purchase a particular number of shares or face amount of a security. All participating clients and their pro-rated shares of the block are known at the time we issue the block transaction instructions. We generally trade in liquid securities and partial allocations are not a concern under normal market conditions. However, should we not receive the full amount of the requested, or if multiple executions are required, the following apply:

- If the full amount we requested is not obtained (and we determine to stop trading), we will pro-rate the purchased shares equally across all participating accounts. However, if employee transactions are included in the block and only a partial fill is completed, employee transactions are excluded until all client trades are completed.
- If multiple fills occur to complete the full block, then all purchases are averaged to price and each participating client receives their full allocation at that average price.

Research and Other Soft Dollar Benefits

We do not have any traditional “soft dollar” arrangements in place in which we agree to direct a certain amount of commission dollars to a specific custodian in exchange for research or other services. Rather, the services described in this Item 12 are made available to us simply because we maintain client accounts on the custodian platform. Many of these services are used to service all or a substantial number of Harborview Asset Management’s accounts, including accounts not maintained at Schwab.

The availability to Harborview Asset Management of the foregoing products and services is not contingent upon Harborview Asset Management committing to the custodian any specific amount of business (assets in custody or trading commissions). In some cases, clients could pay more for custody and execution through the custodian we recommend than through others. We review the capacities and costs of our custodian regularly to ensure that our clients are receiving quality executions and competitive pricing, as well as more intangible service benefits.

Best Execution

As indicated above, we recommend clients open accounts at Schwab. We are not compensated directly for recommending Schwab custodian to clients, although we receive indirect and direct benefits as outlined above. The criteria for recommending a custodian include reasonableness of commissions and other costs of trading, ability to facilitate trades, access to client records, computer trading support and other operational considerations. These factors will be reviewed from time to time to ensure that the best interests of our clients are upheld.

In seeking “best execution” for clients, the key factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, considering the full range of services, including execution capability, technological processes used for submitted trades and other valuation services.

As part of our fiduciary duty to our clients, we endeavor at all times to put the interest of our clients first. We want our clients to be aware that the receipt of the above benefits and services from the custodian creates a conflict of interest, as this could indirectly influence our choice of broker-dealer for custody and brokerage services. Harborview Asset Management reviews its choice of custodians on a periodic basis to reaffirm the health of the custodian, the quality of executions, and the additional services provided by the custodian. We believe our recommendation of Schwab as custodian and broker-dealer is in the best interest of our clients because of the scope, quality, and price of their services.

Item 13. Review of Accounts

Harborview continuously monitors client portfolios to ensure the investments are consistent with each client’s investment objectives, philosophy, strategy, and methodologies. The two principals of the firm, identified in Item 4 of this brochure, are responsible for these reviews.

On at least an annual basis we provide our clients with written performance reports generated from our portfolio management system.

Item 14. Client Referrals & Other Compensation

We do not have any arrangements in place to compensate third parties for client referrals.

Item 15. Custody

All client funds and securities are maintained with a qualified custodian; we don’t take physical possession of client assets. You will receive account statements directly from the Custodian at least quarterly, which you should carefully review. We urge you to carefully compare the Custodian’s account statements with the periodic reports you receive from us and to notify us promptly of any discrepancies.

We have the ability to deduct our advisory fees directly from your accounts based on your written authorization to do so, and this ability is technically considered “custody” but doesn’t require separate reporting or a surprise audit of Harborview Asset Management.

Item 16. Investment Discretion

As indicated in **Item 4. Advisory Business** of this brochure, we generally provide discretionary investment management services, which means we do not need to seek your approval on a trade-by-trade basis. Our discretionary authority is pursuant to a written agreement.

We trade on a non-discretionary basis with those clients engaged with us through a consulting relationship. We make the recommendation for each trade and effect the trade only upon approval from the client.

Item 17. Voting Client Securities

Harborview Asset Management does not have any authority to and does not vote proxies on behalf of any advisory clients. You retain responsibility for receiving and voting proxies for any and all securities maintained in your accounts. If you request, we will provide information or our professional insight into various matters related to your proxies. Third-party managers we recommend may retain the authority to vote proxies in accounts they manage for you, subject to their stated policies.

Item 18. Financial Information

Harborview Asset Management does not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients. In addition, neither Harborview Asset Management nor its management persons have been the subject of a bankruptcy proceeding.