



HARBOR ITHAKA

Investment Adviser
FORM ADV PART 2 - BROCHURE
CRD # 170580

December 31, 2023

Offices: 3250 NE 1st Ave Unit 305,
Miami, FL 33137

This brochure provides information about the qualifications and business practices of Harbor Ithaka WM, a Registered Investment Advisor. Registration of an investment adviser does not imply any level of skill or training. If you have any questions about the contents of this brochure, please contact us at +1 (305) 755-7600 or write to admin@harbor-ithaka.com.

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, nor has it been approved or verified by any state or federal securities authority.

The searchable IARD/CRD number for Harbor Ithaka is 170580

Additional information about Harbor Ithaka WM is also available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Harbor-Ithaka WM who are registered, or are required to be registered, as investment adviser representatives of Harbor Ithaka WM, LLC.

Item 2. MATERIAL CHANGES

Item 1 has been amended to reflect the effective date of the current amendment.
Item 4 has been amended to reflect AUMs as of Dec 31, 2023.

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

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Item 4. ADVISORY BUSINESS

The advisor has three principal lines of business, which it refers to as:

- 1- Investment Management: The Advisor research, develops, co-develops and manages fund of fund type investment strategies and pooled investment vehicles that invest in some of the following segments: Real estate, real estate debt, private credit, specialty finance, other alternative strategies in the so-called private markets, and Hedge Funds. These strategies and pooled investment vehicles are offered to accredited, qualified, professional and institutional investors in either in SMA (client specific “segregated account formats” managed in a discretionary manner) or private funds or pooled investment vehicles. Complementary to the advisors’ menu of managed investment strategies, it may seek out niche professional investment advisors to sub-advice on specific mandates, including but not limited to hedge funds. The advisor may also serve other advisors by managing predefined investment strategies and or pooled investment vehicles in a sub-advisory capacity.
- 2- Investment Consultancy: Non-prescriptive investment analysis, portfolio aggregation and consultancy work focusing on performance and risk analytics, in which the advisor will serve as a supervisory consultant to qualified clients, including ultra-high net worth, single and multi-family offices, foundations, trusts and other institutional investors, and collaborate with their other investment advisors, brokers and other investment professionals in the management of their extended sets of investment assets and complex estates. Such clients may opt up to receive investment advice in which the Advisor may design investment policy and processes, direct client regarding general investment and risk allocation strategy, tactics, and both conduct evaluation as well as active advice regarding what it considers to be appropriate investment implementation (product and strategy selection). In such cases, clients would be under a General Non-Discretionary Investment Advisory work relationship.
- 3- Wealth Management: The Advisor designs and implements investment portfolios for ultra-net worth clients based on the advisor’s particular investment and diversification approach. Such work can be conducted on a discretionary or non-discretionary basis. These portfolios may combine both advisor managed investment strategies and pooled investment vehicles as well as strategies managed by third party investment managers.

Assets Under Management:

Harbor Ithaka WM provides advisory services to 26 clients and has approximately \$ 151,492,838 in assets under management as of December 31, 2023. Of these, the firm advises a total of seven pooled investment vehicles.

Private Funds and pooled investment vehicles advised, co-advised or sponsored by the Advisor.

Harbor Ithaka WM, LLC, currently manages EIGHT (8) private funds which it offers to other advisors, broker dealers, multi and single-family offices, as well as direct wealth management clients of the Advisor:

- Harbor Ithaka Reserved Private Credit Strategies Fund
Harbor Ithaka Diversified Real Estate Fund
- Harbor Ithaka Tactical Select Allocation Real Estate Fund
Harbor Ithaka Real Estate Income Fund
- Harbor Ithaka Life Settlements Multi Strategy Fund
Harbor Ithaka Reserved Strategies II Fund
- HI BK Family SP
- HI Private Credit Opportunities Fund

Additionally, the firm advises several private funds that are single investor or single-family funds, and which are not offered to other types of clients. A complete list and disclosure of the private investment vehicles and funds advised by the firm is listed in Section D of the ADV Filing.

Firm Ownership and Control:

Harbor Ithaka WM, LLC is a Florida limited liability corporation. The sole shareholder of Harbor Ithaka WM, LLC is, Harbor Financial Holdings, LLC. The sole shareholder of Harbor Financial Holdings is Lionfern Ventures, LLC. The sole shareholder of Lionfern Ventures, LLC is RAFAEL ALCANTARA- LANSBERG.

Item 5. FEES AND COMPENSATION.

Advisory and Asset Management Fees

General: Depending on the type of business, the firm's Advisory Fees range from 0.50% to 2.20% per annum (payable on a quarterly, or monthly basis calculated as 1/12 of the agreed upon percentage fee multiplied by the Net Asset Value of each account).

In the case of the of the Private Fund or Pooled investment Vehicle business:

Harbor Ithaka WM manages private funds and pooled investment vehicles that in turn invest in private markets and hedge funds by allocating simultaneously to several institutional and private fund managers; Therefore, the funds advised by the firm can be refer to as fund of funds. The fees charged to each Fund are a function of the type of portfolio and related sourcing, analysis and management complexities. These fees may range from 0.50% to 2.50% per annum (payable on a quarterly basis, calculated as 1/12 of the percentage fee multiplied by the Net Asset Value of each Fund). Specific management fees vary per private fund and share class and are specified in each funds private Placement memorandum, Portfolio Supplement, or any attached documentation. Although not typically used, performance-based fees may be applied to new private funds in the future. Also, fees collected by advising these pooled investment vehicles may be shared with soliciting agents, which can be firms or individuals, including other advisors (Please refer to item 14 below).

In the case of Investment Consulting Services:

Harbor Ithaka WM may also provide Investment Portfolio Supervisory Consulting Services. These consulting services will be offered solely to accredited and qualified investors with liquid investments at over USD \$50,000,000. From time to time the Advisor may elect to service clients with lesser amounts of liquid investable assets.

Fees for Consulting Services are based on the scope of each project and discussed with and approved by the client in writing.

In the case of the Wealth Management business:

The advisors' clients pay an Advisory Fee, payable monthly or quarterly in arrears, based on the net asset value of the financial assets managed by the advisor as of the last business day of each month, calculated based on the official value of the accounts or portfolios as reported by the financial institutions that act as brokers and/or custodians for the client or as reflected in professional market data and aggregating systems. In the case of non-traditional, alternative funds and investments, which regularly publish NAVs (net asset values) 15 to 30 days after the end of the month being reported, the advisor may calculate its fees based on the amount reported for the previous month, and then adjust any difference in future invoices.

Pursuant to an investment advisory agreement signed by each client, the fees charged to each client are a function of the size of the client's general portfolio and whether the client is considered a professional client, defined in the Advisor's investment advisory agreement as possessing either high-level training and knowledge of investments or being advised by another professional advisor who supervises, or is the main point of contact and has a mandate by the end-client to supervise the Advisor or these help the client ascertain the value and evolution of the Advisor's advisory work, or a non-professional client, who regardless of size and experience with investing may

be considered a non-professionally trained investor, who relies more fully on the Advisor's investment guidance.

Table of Advisory fees to Wealth Management clients:

Non-professional clients:

Under \$2,500,000, a minimum of \$25,000 per year.

From \$2,500,000 and above, 1% per year.

Professional clients:

Professional clients will be charged on a case-by-case manner.

Harbor Ithaca WM may charge clients a minimum fee of \$25,000 per year regardless of account size. This is in-line with the firm Advisor's minimum account size of \$2,500,000 and its schedule of fees for advisory services, so that if an Advisory client's account is below certain dollar amount the minimum applied may represent a higher percentage amount than a regular percentage-based fee.

In certain circumstances and at the Advisor's sole discretion, this minimum amount may be waived.

Investment vehicles managed by third parties, including mutual funds, closed end funds, ETF's and private funds and hedge funds, all charge their own fees, which will generally include a management fee, other fund expenses, and a possible distribution fee. These fees and expenses are described in each fund's prospectus.

Additionally, custodians and broker dealers may charge additional transaction and service fees related to the services they provide.

All fees paid to the Firm for investment advisory services are separate and distinct from the expenses charged by the above-mentioned third-party investment managers, broker dealers and custodians.

HI, LLC does attempt to negotiate some of these fees as much as possible for the benefit of its clients.

Additional fees for Investing in the firms' Pooled Investment Vehicles:

The firm may choose to recommend and invest its advisory clients in affiliated or unaffiliated Private Funds or Hedge Funds, that may be managed or co-advised by the firm or an affiliated entity and for which the Advisor may be compensated directly or indirectly. Many of the pooled investment vehicles advised or sponsored by the firm invest in institutional quality managers and funds, private placements and hedge funds which charge their own investment management fees; because they are funds that invest in other funds (so called fund-of funds) they imply additional fees.

Although investing in such fund of funds entails various levels of fees, the firm believes the funds it sponsors and advises provide value, including but not limited to, non-institutional investor access to otherwise institutional asset classes and investment strategies, broad asset class, strategy and manager diversification, manager selection and due diligence, and the potential to diversify the investing client's general portfolio.

As per the definitions set within the investment management agreements that the Firm signs with its wealth management clients, non-professional advisory clients are charged both account or portfolio level advisory fees calculated on the total value of the client's investments that are advised by the firm, as well as "asset management" fees, which are charged by the Advisor for the management of the pooled investment vehicles and funds. To be clear, this implies that non-professional Advisory clients will be charged two layers of fees: One -an Advisory fee- calculated on the totality of the account advised by the Advisor, and another, -an "asset management fee"- charged by the Advisor to the funds it manages and in which the client may be invested, so that the portion of the client's portfolio that is invested in private funds and pooled investment vehicles that are managed or sponsored by the Advisor will incur in a second layer of fees. The Advisor's Investment Advisory Agreements have been written to make this double layer of fees clear to its non-professional Advisory clients.

Because the Advisor's aggregate fees may be higher when clients invest in the private pooled investment vehicles it manages or sponsors, the Advisor is incentivized to recommend them: This implies a significant conflict of interest.

In some limited circumstances, advisory clients may have agreements that state "maximum fees" to be charged by a pooled investment vehicle or fund managed by the Advisor that may be lower than the fees stated by the particular share class in which the client is invested. In such cases, the excess fees charged by firms' advised funds and paid to the Advisor may be applied to the client's advisory invoice and deducted from the total.

Total fees:

All clients should review both the fees charged by the firm for its advisory services, any fees charged by the investment funds that are part of the investment portfolio advised by the firm, both those funds managed by third parties as well as the Advisor's own sponsored pooled investment vehicles, and finally, the fees that are charged by the brokers or custodian, to fully understand the total fees that the client's portfolio will incur. It is important to note that investing clients will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money made on your investments over time.

Under certain circumstances and at the sole discretion of the advisor, the Advisor may negotiate fees with a particular client.

Item 6. PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT COMPENSATION.

Performance Fees

Qualified clients, as defined by Rule 205-3 of the Investment Adviser's Act, may enter into advisory agreements where the Firm is entitled to a performance fee as part or all of its compensation. Qualified investors must meet the following requirements: (a) have at least \$1,000,000 in assets under management with the adviser; or (b) have a net worth of at least \$2,100,000 in investable assets, in order to enter into performance-based compensation agreements with Harbor Ithaca WM. Suitability will be determined through the use of a detailed suitability questionnaire and follow up due diligence inquiries.

In certain cases, the Firm may engage in performance-based compensation based upon any gains obtained in a client's account for the quarter, or for the calendar year, depending on the specific arrangement. Performance fees may range from 5% to 20% of gains depending on each specific arrangement and they may be subject to a "hurdle rate" or minimum gain by the client. If this "hurdle rate" is not met, the Performance Fee is therefore not paid to the advisor.

Fees may be waived or lowered by Advisor, at its sole discretion, on a case-to-case basis.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. Performance-based fees may also create an incentive for our firm to overvalue investments which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have a readily ascertainable value.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance-based fees over clients who are charged asset-based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Item 7. TYPES OF CLIENTS.

Consistent with the types of businesses described in item 4, Harbor Ithaca WM, LLC provides investment advisory services to 1) funds and pooled investment vehicles, 2) Investment Consultancy advisory to Ultra- high Net-Worth

Individuals and Families, Single Family and Multi-Family Offices and other institutional clients, and 3) investment advisory services to ultra-high net worth to High, Ultra-high Net-Worth Individuals and Families, Single Family and Multi-Family Offices and other institutional clients.

Clients may be U.S. or NON-US, persons, Institutional clients or international persons or institutions, including other RIAs, broker-dealers, private banks or financial entities in different jurisdictions with similar objectives to those of US based RIAs.

In the case of the wealth management services, and as consistent with the Advisor's investment advisory agreement, the advisor classified its clients between professional and non-professional clients: Professional clients, as those possessing either high-level training and knowledge of investments or being advised by another professional advisor who is the main point of contact and has a mandate or assumes a supervisory role on behalf of the end investment client over the Advisor's work, including helping the client ascertain the value and progress of the Advisor's advisory work; or a non-professional client, who regardless of size and experience with investing may be considered a non-professionally trained investor, who relies more fully on the Advisor's investment guidance.

Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.

Investment Approach

The advisor believes that the first level of risk management for investment portfolios is the proper diversification of risk-types: The portfolio construction process should start by diversifying the primary drivers of risk. Rather than focusing the diversification work on so called "asset allocation," (i.e. diversifying across asset classes such as stocks, bonds, cash, corporates, real estate, etc.), the advisor work seeks to acknowledge that different asset classes express the same fundamental types of risk in different proportions, and that these proportions in turn are constantly shifting given both cyclical and secular forces. The advisor believes that because the forecasting of both business and market cycles as well as expected returns from the different asset classes is such a highly speculative endeavor, the basis for portfolio construction and management should be diversifying the underlying sources of risk and return. Expectation based portfolio adjustments should be confined within a risk-defined investment policy, so that investment portfolios can be better insulated from over-concentration and the type of principal losses that can occur in wider spread crises and which can negatively affect the capacity for the portfolio to compound returns in the long run. More or less aggressive or "risk tolerating" postures can be adopted within each asset and sub-asset class by selecting different strategies and managers, which -depending on the type of asset and market- may have different ways to exploit and harvest risk and return, being more or less focused on capital preservation. In the end, even if a portfolio can always be viewed as the aggregation of a number of different assets and sub-asset classes, the main source and guidance to the diversification process, should be how the portfolio is exposed to the different types of risks.

In general, while most traditional investment portfolios seem focused on attempting to estimate the future prices of securities and define diversification rather superficially, in terms of asset classes and correlations, the advisor focuses its work around optimizing investing in asset classes that evidence low sensibilities to traditional market beta risks, and when building portfolios, aggregating asset classes with risk return drivers that are fundamentally distinct.

Given the types of clients the advisor tends to work with, that Advisor exhibits a preference for sub-segments and investment strategies within the asset classes it selects that have historically tended to be less volatile and less prone to significant principal loss and erosion. Additionally, because most investment clients tend to be heavily invested in more traditional asset classes, such as publicly traded equity and corporate bonds, and will not work with the Advisor exclusive, keeping portions of their investment portfolios with other advisors and brokers, as a way to provide value to its investor clients, the advisor's work tends to lean towards asset, sub-asset classes and investment strategies that are less sensitive to the types of risks embedded more prevalent in the more traditional investment asset classes.

Furthermore, the advisor equates prudence when accepting risk by seeking both positive risk-return asymmetry as well as high levels of visibility into the underlying sources of risk and return. The Advisor also prefers asset classes

which evidence a more stable relationship between asset prices and the underlying asset's intrinsic value, as relates to the mid- and long-term cash flow generating capabilities of the assets. In this sense, the Advisor's investment style is more focused on intrinsic value rather than forward looking estimations of price and market action. The advisor takes the view that the key driver of risk and return is the real economy and is disconcerted by markets which seem more and more driven by non-fundamental factors, such as flows, yield scarcity and market relativism, technical considerations and the dynamics of market structure, to name a few. Therefore, as part of its work, it has identified a number of asset classes the advisor believes allow for the design and management of investment strategies that can offer attractive risk reward investing to its clientele as well as a differentiated service or style offering to its investing clients, potentially improving the quality of the diversification of the investors' general portfolio.

The advisor believes that the preceding justifies its strong prefer investing in so called "alternative" asset classes and in the so called "private markets."

The Advisor also values tactical opportunism highly and appreciates cash and low risk high liquidity asset classes as well as sources of leverage (margin, collateralized lines of credit, etc.) to maintain optionality so as to be able to in a buying position when heightened market or macroeconomic volatility offers an increase in reward for the risk taking.

Preferred investment Asset Classes and sub-segments

- ▶ Short maturity sovereign bonds, including US treasuries.
- ▶ Ultra-short maturity and high-quality corporate paper and debt;
- ▶ Shorter maturity Credit and structured credit;
- ▶ Certain Segments of the asset backed direct lending private market segment, including private corporate and real estate lending;
- ▶ Real Estate, including a number of investment strategies within the asset class;
- ▶ Certain segments and strategies included in the "specialty finance" segment, including life-settlements, intellectual property, etc.
- ▶ Certain segments and strategies included under the private market category, including private equity, "secondary" strategies, and venture capital.
- ▶ Certain types of fund of hedge funds and multi-manager hedge funds, which aim and seem to be able to harvest "manager alpha", that is to say returns not highly correlated nor sensitive to the underlying betas in the markets in which the managers operate, especially, showing lower correlation and sensitivity to more traditional public equity beta.

Financial Investments and Portfolio Management

Analytical Framework.

The goal of the Advisors' investment framework is to try to create and manage portfolios that exhibit low volatility, low probability of significant loss of principal, while still allowing for an acceptable level of return such that acceptable long-term compounding can be achieved.

To achieve this goal, the advisor will combine a) its risk type diversification framework, with its b) "guard rail" development approach to macro research, with its c) targeted segment and industry diversification work and d) its investment strategy and manager selection processes.

Below is a short description of the above-mentioned components of the Advisor's analytical framework and investment process:

- a) Risk type diversification framework: The portfolio construction process should start by diversifying the primary drivers of risk and return. Rather than focusing the diversification work on so called “asset allocation,” (i.e. diversifying across asset classes such as stocks, bonds, cash, corporates, real estate, etc.), the advisor’s work seeks to acknowledge that different asset classes express the same fundamental types of risks in different proportions, and that these proportions in turn are constantly shifting given both cyclical and secular forces. The advisor believes that because the forecasting of both business and market cycles as well as expected returns from the different asset classes is such a highly speculative endeavor, the basis for portfolio construction and management should be diversifying the underlying sources of risk and return. Expectation based portfolio adjustments should be confined within a risk-defined investment policy, so that investment portfolios can be better insulated from over-concentration and the type of principal losses that can occur in widespread crises and which can negatively affect the capacity for the portfolio to compound returns in the long run.
- b) “Guard rail” development approach to macro research: The advisor considers macro “risk” to be the potential loss (“permanent impairment of principal”) that may occur if some macro event develops. The future is uncertain and unknowable. The financial and economic mediums are highly complex and in constant change. Volatility is backward looking, and both it as well as correlations are driven by factors that can and do change. The advisor invests a significant amount of time researching and trying to gauge what it refers to as “macro fragilities:” economic or financial situations that would probably imply significant losses in any particular market. The identification of fragilities is assumed as worsening the risk-return asymmetries for particular markets or sub-segments and is used to steer portfolios away from certain exposures. The Advisor may for example choose to limit certain asset classes or invest in an asset class by focusing on a sub-set of investment strategies or a particular segment or industry.

- c) Targeted segment and industry diversification work:

The advisor works to gain exposure to asset classes by creating diversified portfolios of investments within each asset class, and within each, works to target particular sub-sets of investment strategies, segments or industries. The Advisor believes this improves the probabilities of achieving the types of risk-return relationships historically displayed by the different asset classes.

- d) Investment strategy and manager selection processes: The Advisor believes diversifying across top managers is one important way to improve risk-return prospects of investing in any asset class. Gaining exposure to any asset class requires a minimum number of managers, which varies depending on a number of factors.

Investment and manager selection includes both investment strategy analysis as well as operational analysis and due diligence. From time to time the advisor will consult with or rely on third party consultants or advisors which it deems to be more experienced and knowledgeable about certain markets. Third party due diligence consultants may be employed from time to time.

Managers and strategies are chosen to be:

- Risk management focused;
- Evidence attractive historical performance of either the fund, or the firm’s or manager’s previous funds or investment activities;
- Quality of manager’s investors (LP’s) in the fund,
- Relatively high levels of access and transparency regarding manager’s portfolios
- Operational Robustness.

Regarding the application of the firm’s investment philosophy and approach to “ultra-high net-worth” and entrepreneurial families.

The firm believes it espouses an investment approach that focuses on capital preservation and consistency of returns, characteristics that are highly valued by entrepreneurial families and business oriented UHNW individuals.

As opposed to typical saver who is usually guided by long or medium term retirement objectives and other life-cycle planning concerns and depend on few and relatively uncomplicated sources of income, primarily income from his

salaries, high net worth and ultra-high net worth families who own and focus their day to day lives in managing their operating businesses and/or have sizable estates, face both a different opportunity set as well as a different risk management problem.

Not only do many of such wealthy estates tend to be characterized by large non-public (privately controlled) equity concentrations in their own businesses, they also tend to have a significant concentration in real assets bearing varying degrees of illiquidity. Additionally, the ownership costs of many such assets tend to be significant and are at risk of turning from income (profit) producing assets into loss generating concerns during economic downturns or competitive industry disruptions, which the owners will need to defend with capital for indeterminate lengths of time. Understanding the diversification of the underlying economic risks embedded in these types of assets should be a paramount consideration for proper wealth management and implicitly entail significant adaptations of how the portfolio of financial investments for such families and their estates should be thought about.

It is also important to keep in mind that estimating the general risks implied by the many assets held in large estates and in turn trying to estimate prudent diversification of underlying economic and financial risks embedded them, is more difficult because by their very nature, particular businesses, industries and country concentrations, many times lack of the kind of statistical data that usually serves as input to much financial and risk modeling. This is also the case with many assets typically held by such wealthy estates, such as art and other collectibles: One could say that these estates have large and concentrated positions and thus are unusually exposed to idiosyncratic type risks and a fair amount of opacity related to the amount and quality of information that can be gained to properly analyze these concentrated risks. Simplifying the risk set born in the portfolio of financial investments makes intuitive sense as it simplifies the overall risk management process that the estate must be able to perform on a continuous basis.

For such very wealthy clients, the primary focus should not be on matching or improving on financial market performance, but rather on supporting their estates by using their financial assets to balance and diversify estate-wide risks, while also assuring there are always ample sources of liquidity to back the overarching needs of the entire estate. Also, that many high and ultra-high net worth families generate a higher percentage of their income from real assets and operating businesses (non-financial assets) entails that they derive more value from the optionality of their investment portfolios –the capacity to leverage or liquidate portions of their portfolios of financial investments to reinvest in their businesses or opportunities related to their entrepreneurial endeavors, rather than trying to navigate higher volatility financial asset markets for potential gain.

Therefore, the first consideration when constructing a portfolio for an entrepreneurial family should not be some formulaic optimization calculation to maximize supposed risk return ratios based on expected returns in a portfolio of highly volatile financial investments, but rather, because the drive of the portfolio of financial assets should provide stable support, and be consist and balance the risks to which the investors is exposed by way of his “whole balance sheet”, the portfolio design should focus on controlling the potential for loss of principal, and balancing for liquidity and stable returns.

Ample liquidity and non-correlation between the portfolio of financial investments and other non-liquid and operational assets that make up the investors balance sheet, can for example, afford the owners the power to act aggressively and opportunistically when economic cycles offer them the opportunity to purchase distressed competitors or strategic business assets, or by having access to liquid and stable financial assets, be able to defend their non-financial assets as they encounter economic distress.

In so far this primary consideration has been satisfied, the entrepreneurial family’s investment portfolio can add asset classes that can provide improved returns, but maintaining similarly guarded in terms of putting principal at risk.

Given that the Advisor’s “risk-diversification” process leads it to construct portfolios with high levels of alternative asset classes and strategies which are generally much less liquid than more traditional options such as stocks and bonds, and in so far, the Advisor client’s would require high levels of liquidity, the Advisor will seek to manage a proportion of the clients assets that does not require high liquidity. This consideration is particularly relevant as in an era of low real interest rates and high asset prices, the traditional spreads that would have previously justified portfolios of shorter duration credit type investments are harder to justify.

Additional Considerations

The advisor may use exchange listed securities, over-the-counter securities, foreign securities, corporate or

sovereign debt securities, CDs, mutual funds, closed end funds, private placements, private funds, hedge funds, funds of hedge funds, options in securities and commodities, and futures on tangibles to accomplish this objective. The advisor may invest in Mutual Funds or Hedge Funds when it is more economic or practical to build a portfolio in this fashion. This may be due to the costs of building a portfolio in non-OECD local markets; the difficulties of gaining exposure or sufficient diversification to a particular economic sector, market, country for the size of investment contemplated, or due to superior manager expertise in picking securities in specific sub-sectors by mutual fund or private fund specialists.

The advisor may reduce risk exposure and carry significant levels of cash positions as a possible hedge against market movement which may adversely affect the portfolio. The advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio. The advisor may sell securities short, sell against the box, covered call writing, naked put writing and/or other strategies to reduce risk and/or improve performance.

Risk of Loss

Investing in securities involves risk of loss that the advisor's investor clients should be prepared to bear. Investor clients should be particularly mindful of the special risks involved in investing in private markets and hedge funds, asset classes and markets which the Advisor employs in significant proportion consistent with its particular approach to investing and diversification of risk types and drivers. Investing in private markets and hedge funds entails a significant lack of liquidity, especially in times of market or economic stress. Investor clients should be mindful of these limitations on liquidity and inform the Advisor when their own personal balance sheet liquidity and income changes.

The advisor does not represent or guarantee that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. The firm cannot offer any guarantees or promises that the financial goals and objectives of its clients will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities and strategies.

As disclosed under the "Advisory Business" section in this Brochure, the firm relies heavily on alternative asset classes and private markets as the firm believes that they offer ways to improve risk diversification of investor's portfolios. Although the firm believes that broad diversification among certain private and alternative markets and further diversification by investing in many managers and strategy types within those asset classes should provide for good mid and long term compounding, the firm cannot guarantee that its investment programs will fair well nor avoid losses, including significant loss to principal in the future.

Item 9. DISCIPLINARY INFORMATION.

Neither Harbor Ithaca WM nor any employee of the Firm has been subject to any disciplinary actions by the Securities Exchange Commission (SEC) or any other regulatory authority.

To the best of our knowledge, Messrs. Rafael Alcantara-Lansberg, and Carlos A. Machado have not been involved in an event that resulted in an award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500; or in a civil, self-regulatory organization, or administrative proceeding involving any of the following events:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.

1 Harbor APS, LLC is a Florida Limited Liability Corporation that holds Insurance Licenses and is controlled by the same ultimate owner of Harbor Ithaka WM, LLC.

From time to time 1 Harbor APS, LLC may refer clients of the Advisory firm to life and health insurance providers which may be remunerate the firm, its registered agents and eventually, its controlling partner.

Harbor Ithaka Consulting Services, LLC is a Florida Limited Liability Company that performs investment accounts aggregation and non-prescriptive performance accounting services for qualified investors. These services do not entail investment advice. Harbor Ithaka Consulting Services is an affiliated company. From time to time and as the case may be, the firm may refer clients to Harbor Ithaka Consulting Services. Harbor Ithaka Consulting Services, LLC may also refer clients to Harbor Ithaka WM, LLC.

Private Funds: Harbor Ithaka WM, LLC is an advisor to a number a pooled investment vehicles and funds of funds which invest in institutional quality private funds and private market investments in asset classes including real estate, real estate debt and private credit. As of December 31st, 2021, the firm was advisor to a total of seven (7) private funds.

Harbor Ithaka WM, LLC is remunerated by advising these funds. These funds are recommended to the Advisor's "wealth management" clients and may form a significant portion of the portfolios being advised for them. Because this implies an additional layer of fees paid by the Advisor's clients it raises a conflict of interest, as the greater proportion of the client's accounts that is invested in the pooled investment vehicles advised by the firm imply higher total fees paid by the investor clients to the Advisor. This conflict is clearly described in the investment advisory agreement signed by wealth management clients. It is also detailed in the firms' CRS and in Item 5, in Part 2 of this Form ADV brochure document.

Item 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.

Harbor Ithaka WM has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. The firm strives to comply with applicable laws and regulations governing the firm's practices. Our goal is to provide investing clients with value and protect their interests at all times and to demonstrate commitment to our fiduciary duties. All of the firms' Associated Persons are expected to adhere strictly to these guidelines.

In addition, the Code of Ethics governs personal trading by each employee of Harbor Ithaka WM deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Harbor Ithaka WM are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates. Harbor Ithaka WM collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest. Harbor Ithaka WM and/or its investment advisory representatives may from time-to-time purchase or sell products that they may recommend to clients.

Harbor Ithaka WM maintains a code of ethics and will provide a copy to any client or prospective

client upon request. To obtain a copy of our Code of Ethics by contacting Rafael Alcántara-Lansberg at (305) 755.7600 or admin@harbor-ithaka.com.

Item 12. BROKERAGE PRACTICES

Best Execution: As an investment advisory company, the Firm has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. The Firm may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker or other services such as the credit rating and balance sheet of the custodial institution that is provided by the brokerage firm which may signify important value to both the Advisor as well as the end client. Additionally, some markets are less transparent and liquid than public equity markets and as such, identifying best pricing markets provide specific challenges.

These factors, among others, would justify higher commissions (or their equivalent) than other transactions requiring routine services. If the Firm is directed by the client to direct trades to a specific broker dealer other than the custodian typically used for trade execution, it is disclosed that the Firm's ability to negotiate commissions (where applicable), obtain volume discounts, or otherwise obtain best execution may not be as favorable as might otherwise be obtained.

Order Aggregation: The Firm may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of the Firm's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive, to the extent possible, the same execution price (average share price) for the securities purchased or sold in a trading day. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. The Firm may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

The Firm may engage in "soft-dollar" arrangements whereby a portion of the commission that would be paid to the broker executing a particular order is credited towards payment of third-party research services. While this may result in the client paying higher commissions than those obtainable through other brokers or arrangements, the advisor thinks the clients will ultimately benefit from access to research services that would not be otherwise available or affordable. Although the Firm does not have any soft-dollar arrangements currently in place, it may do so in the future.

Item 13. REVIEW OF ACCOUNTS.

The Advisor's client investment accounts are monitored on an ongoing basis.

Some factors that may change the firm's allocation recommendations including changes in economic conditions, changes in the fundamentals or risk-reward prospects of a particular investment market or the availability of opportunities which the Advisor believe are worth including or substituting for other strategies. Re-balancing of assets may be also performed to comply with each client's investment instructions and profile. The Advisor produces a written client report, using information supplied directly by the custodian (s), at least once a year or at the request of the client.

Item 14. CLIENT REFERRALS AND OTHER COMPENSATION.

Harbor Ithaca WM uses promoters' agreements to compensate non-employees for client referrals. Promoters must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Promoter, you should have received a copy of this brochure along with the Promoter's disclosure statement at the time of the referral. If you become a client, the Promoter that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Promoter expires or a one-time, flat referral fee upon your signing an advisory agreement with our firm or other arrangements which may vary from case to case. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Promoter are contingent upon your entering into an advisory agreement with our firm. Therefore, a Promoter has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms. Promoters that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements.

The firm enters into contractual arrangements with its employees, under which they may receive compensation for the establishment of new client relationships. Employees who refer clients to our firm must comply with the requirements of the jurisdictions where they operate. The compensation to these employees may equal a portion of the advisory fees collected from you for as long as you are a client with our firm, or until such time as our agreement with the employee expires. You will not be charged additional fees based on this compensation arrangement. Incentive-based compensation paid to such employees is contingent upon you entering into an advisory agreement with our firm. Therefore, our employees have a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest.

In connection with providing investment advisory services, the firm may refer clients to outside third-party professionals for advice on beneficial tax structures, estate planning, and other advice. The services provided by and fees charged by such professionals are separate and apart from the firm's services and fees. These third parties may pay the firm a portion of the fee they charge to clients for such referrals. Such referral arrangements may create an incentive for the firm to recommend these professionals over others with whom the firm does not have referral arrangements. The firm believes that the professionals to whom it refers clients provide quality services for competitive fees and will only recommend such services if we believe they are beneficial to our clients. Clients are under no obligation to employ any third-party professional recommend by the firm.

Please see Item 10 above for disclosure related to our referral relationships.

Item 15. CUSTODY.

The Firm provides investment advisory services and portfolio management services and does not under any circumstance provide securities custody.

The firm relies on other financial institutions to provide custody and brokerage services that the firm uses in order to perform its investment management and discretionary advisory duties to its clients.

The Advisor may have authority over bank accounts in name of a client, in order to facilitate the payment of fees or other administrative expenses related to the advice provided to the client.

As of December 31st, 2021, the firm has relationships with the following custodians and brokerage firms: JP Morgan Chase, Stone X (Previously called International FC Stone) and Charles Schwab & Co. The firm's private funds currently employ Bank OZK as commercial bank to custody its cash positions.

Item 16. INVESTMENT DISCRETION.

The advisor may be granted discretion over the selection and amount of securities to be bought or sold in the client's accounts without obtaining prior consent or approval from the client. However, these purchases or sales may be subject to specified investment limitations previously set forth in the investment management agreement between the advisor and the clients.

Item 17. VOTING CLIENT SECURITIES.

The Firm will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, the Firm cannot give any advice or take any action with respect to the voting of these proxies. The client and the Firm agree to this by contract. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, the Firm cannot give any advice or take action with respect to the voting of these proxies.

Clients may obtain a copy of our Proxy Voting Policies and Procedures by contacting us at admin@harbor-ithaka.com.

In certain cases, if agreed to by our Firm with you in writing we will vote proxies for securities held in your accounts. In such cases, we will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for clients. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue.

Conflicts of interest regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the

proxies. For example, we may abstain from voting, or follow the recommendations of an independent proxy voting service.

In cases where we have not agreed to vote proxies on your behalf, we will not offer any advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18. FINANCIAL INFORMATION

Harbor Ithaka WM does not maintain any impairments or any other financial obligations that might prevent it from meeting any of the Firm's contractual obligation to its clients.

Item 19. ADDITIONAL INFORMATION

Harbor Ithaka WM does not disclose nonpublic personal information about its clients to anyone except to those persons necessary to effect the transactions and provide the services that the clients require (such as broker-dealers, custodians, etc.) or as otherwise provided by law.

A copy of Harbor Ithaka WM Business Continuity Plan Disclosure Document will be provided to the Client at the time of account opening as well as when material changes to the plan occur. A copy of this document may be obtained at any time upon request.