

Firm Brochure: Form ADV-Part 2A

Harvest Investment Consultants, LLC

Registered Investment Advisor

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This Brochure provides information about the qualifications and business practices of Harvest Investment Consultants, LLC. If you have any questions about the contents of this Brochure, please contact us at 410-561-9040. 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.

Harvest Investment Consultants, LLC is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Harvest Investment Consultants, LLC is available on the SEC's website at <http://www.adviserinfo.sec.gov>.

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3. Material Changes

There have been no conflicts of interest or material changes to the Advisor's policies or practices from our last annual update.

4. Advisory Business

- A. Harvest Investment Consultants, LLC (Advisor) has been in business since 1987. The previous legal names were Harvest Investment Consultants, Inc., and Hickory Capital Management, Inc. The Principal owner is Stephen S. Duklewski, Jr., Chief Compliance Officer.
- B. Harvest provides professional fee-based investment management services to numerous organizations and private clients. We provide customized portfolio design and active portfolio management for individuals and families, as well as professional investment management and consulting services for defined benefit plans, 401(k) retirement plans, endowments, charitable organizations and more.

We focus on designing and maintaining balanced portfolios and fixed income portfolios, based upon the needs of each client. Our portfolios may include a variety of security types such as; individual bonds, stocks, mutual funds, ETF's, REIT's, CD's, hybrid securities and more. We seek to manage risk on multiple levels and our investment portfolio focus is on absolute, not relative performance.

In addition to portfolio management, we offer personalized financial and retirement planning services to our clients. Harvest utilizes a modularized approach to the financial planning process. Some areas in which we may assist clients include:

- Retirement planning
- Educational planning
- Insurance Analysis
- Tax planning
- Charitable contribution planning
- Retirement income distribution
- Estate planning

We approach the financial planning process in the same way as we handle our investment management services; we spend significant time with clients to fully understand their questions and objectives. We then seek to provide an unbiased perspective, and planning guidance that is both practical and functional, based upon the needs of each client. We encourage our clients to review pertinent planning information with us at least annually, and whenever a significant life event or important changes occur.

We can work closely with a client's existing professional relationships, coordinating with their attorney, accountant, or other trusted advisors. Likewise, we have relationships with many other professionals who can be brought into the planning team at any time, based on the needs of a specific planning project.

C. The Advisor and portfolio management team develop an appropriate investment profile for each client, considering any unique needs or applicable restrictions to be followed. The client-specific profile in conjunction with interview data and risk tolerance communications will drive the portfolio design process at Harvest. Clients may impose restrictions on investing in certain securities or provide other specific investment restrictions to be followed.

D. Advisor does not participate in *wrap fee* programs.

E. Assets under management as of December 31, 2010 are as follows:

Discretionary:	\$213,044,430
Non-Discretionary:	\$72,467,576
Total:	\$285,512,006

5. Fees and Compensation

A. Management fees are paid quarterly in advance based on the market value of securities placed under supervision at the inception of the agreement and thereafter at the end of each calendar quarter. Fees are negotiable and Advisors can waive the account minimum.

Fee Schedule

EQUITY:

<u>Account Size</u>	<u>Fee</u>
Up to \$100,000.00	2.00%
From \$100,000.01 to \$150,000.00	1.75%
From \$150,000.01 to \$200,000.00	1.50%
From \$200,000.01 to \$250,000.00	1.25%
From \$250,000.01 to \$2,000,000.00	1.00%
From \$2,000,001.00 to \$3,000,000.00	.75%
From \$3,000,001.00 to \$5,000,000.00	.60%
From \$5,000,001.00 to \$10,000,000.00	.50%
Over \$10,000,000.01	Negotiated

FIXED INCOME:

<u>Account Size</u>	<u>Fee</u>
From \$250,000 to \$500,000	.60%
From \$500,001 to \$2,000,000	.50%
From \$2,000,001 to \$5,000,000	.40%
From \$5,000,001 to \$10,000,000	.30%
Over \$10,000,000	Negotiated

- B. Fees are deducted from clients' accounts or billed on a quarterly basis. The client may select either method.
- C. Advisor maintains an independent and unbiased focus by not receiving commissions, transaction related income, or soft dollars. The client may, in connection with our Advisory services, incur other costs such as custodial transaction costs and mutual fund expenses. See Section 12 - Brokerage Practices.

While many of our planning services are provided at no additional cost to our clients, some areas which may require the outside services of an attorney or a CPA will be handled on a project basis, with estimated time and material charges provided before the project commences.

- D. Client fees are billed in advance. A client will receive a pro-rata refund for the unused portion of the management fee if the Advisory contract is terminated before the end of the billing period.
- E.
 - 1. Advisor receives no compensation for the sale of securities or other investment products including asset based sales charges or service charges from the sale of funds. Advisor does not reduce fees to offset qualified custodians' commissions. Advisor has no material conflict of interest.
 - 2. Clients have the option to purchase investment products the Advisor recommended through other brokers or agents not affiliated with the Advisor.

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

There is no performance based compensation and side by side management.

7. Types of Clients

The Advisor serves numerous organizations and private clients by providing professional investment management solutions in areas such as defined benefit plans, 401(k) retirement plans, endowments, charitable organizations, trust management services, and personalized asset management services for wealthy individuals and families. Our minimum account size for opening an account is \$250,000. The Advisor can waive the account minimum.

8. Method of Analysis, Investment Strategies and Risk of Loss

- A. Analysis and Investment Strategies – Harvest seeks first to manage client investment risk levels through the use of individual risk profiles. Inherent in this approach is the understanding that portfolio management is not a “one size fits all” solution, and that each client’s risk tolerance level needs to be correctly identified initially, and reviewed regularly. We further go to great lengths to build diversified portfolios for each of our clients.

Portfolio risk is then managed through the use of various research and analytical tools. These tools will vary depending on the nature of the investment(s):

- a) **Mutual Funds and ETF’s** (Exchange Traded Funds) – Harvest utilizes a proprietary screening process developed over the past 10-15 years to identify a monthly mutual fund “universe” deemed suitable for our clients. This universe is developed and maintained utilizing Morningstar Principia™ database tools in conjunction with our own analytical techniques. Funds are analyzed for a variety of metrics including; asset class concentration, historical performance and volatility, risk efficiency metrics, sector/industry exposure, geographic dispersion, style characteristics, peer group comparisons, management history and more.
- b) **Fixed Income Securities** – Harvest follows an established discipline with respect to all fixed income investment decisions. We seek to employ a block purchase approach to achieve cost and efficiency benefits for our clients. We are not limited to custodian-supplied inventory, and in fact, we maintain multiple relationships with independent bond dealers across the country. In addition, Harvest uses a three-tiered approach towards fixed income research.
 1. Independent Research and Credit Rating Services: Harvest utilizes independent rating services that do not have any of the inherent conflicts of interest found in larger, more well-known ratings services such as Standard & Poor’s or Moody’s, which are actually paid by issuers to provide the credit ratings on bonds. Harvest also utilizes numerous independent investment research firms and industry publications to analyze individual companies and industries.
 2. Bloomberg: Harvest utilizes Bloomberg to monitor market interest rates, track bond trading prices and to examine the pricing and ratings of newly issued bonds. This provides vital information as to the true “market value” of bonds since they do not transact on a centralized exchange and therefore do not have a single, readily available “price quote” similar to what can be found for a stock.
 3. Internal Credit Analysis: In addition to the other research processes, Harvest performs an internal credit analysis on each firm prior to purchasing that entity’s corporate bonds. The credit analysis process focuses on interest coverage, the liquidity levels and overall health of the firm’s balance sheet.

- c) **Stocks** – Harvest utilizes a number of equity research tools including online subscriptions to the *Wall Street Journal* and related investment publications. In addition, we maintain research subscriptions with numerous private research firms for timely access to domestic and global business and economic data. As a firm, we seek to balance both bottom up (valuation based) metrics and top down (macro view) considerations when identifying individual stocks for purchase. Whenever possible, we will seek stocks that have excellent dividend payment histories, significant standing within a respective peer group or industry, and high quality characteristics – purchasing only those that we feel are attractively priced.
 - d) **Sell decisions** – Harvest incorporates several disciplines both active and passive with respect to the sale of securities held. We will choose to exit any security that we feel has experienced a significant (and non-temporary) deterioration in fundamentals or value relative to purchase expectations. With individual stocks on an active basis we may choose to exit a security when we feel that it is trading at a significant premium to fair value, in order to take profits and redeploy capital into new opportunities. On a passive basis, we seek to maintain a trailing stop loss approach, in an effort to both manage risk and capture profits. With fixed income securities our purchase objective is a target yield-to-maturity or yield-to-call; if we believe this can be achieved or exceeded by selling the security *prior* to maturity (taking profits for a total return approach) we may choose to do so. Likewise, as mentioned above if we detect a heightened level of risk with an individual security that is not commensurate with the return objective, we may choose to sell the holding prior to maturity or call.
- B. Summary of risks – regardless of the care and effort put into investment research and analysis, there is always a possibility that an investment outcome will be different than what is expected. Under high levels of volatility or catastrophic market conditions such as those experienced in 2008, it is possible for *all* asset classes to fall at the same time. It is also possible that an individual equity selection (stock, mutual fund, ETF) will perform worse than the broader markets and suffer significant losses creating new historical lows; reminding us all that past performance is no assurance of future results. In the fixed income realm, risks of loss can come from deteriorating credit quality of the issuer, unexpected impairment affecting the issuer, loss of value on a holding due to rising interest rate trends, or overpayment on the purchase price of a bond such that a loss is incurred on sale at maturity. We seek to mitigate these risks by focusing on security valuations, research and analysis, strategic portfolio diversification (across asset classes and securities), and active portfolio management decisions. However, investing in securities involves risk of loss that clients should be prepared to bear.

- C. Limited security recommendations – Harvest is not limited to any security or investment instrument. Likewise, we receive no commission or incentives for the investments we recommend.

9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our Advisory business or the integrity of our management.

10. Other Financial Industry Activities and Affiliations

- A. Advisor may refer clients desiring insurance products to Harvest Insurance, Inc., a separate corporation and a related person under common ownership with the Advisor. The Advisor receives no compensation from any referral so there is no material conflict of interest. The employees of the Advisor who may be licensed as insurance agents or brokers of various insurance companies can purchase insurance related products for any client requesting these additional services. Clients are under no obligation to engage those individuals when considering implementation of any or all recommendations.
- B. Advisor does not recommend or select other investment Advisors.

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

A. Code of Ethics

Our Code of Ethics is disseminated to our clients as part of our Investment Advisory Agreement. We will provide a copy of our code of ethics to any client or prospective client upon request.

Principle 1 – Integrity

We are placed by clients in a position of trust, confidence and fiduciary responsibility. The ultimate source of such public trust is our personal integrity. In deciding what is right and just, we should rely on our integrity as the appropriate touchstone. Integrity demands honesty and candor, which must not be subordinated to personal gain and advantage. Within the characteristic of integrity, allowance can be made for innocent error and legitimate difference of opinion; but integrity cannot co-exist with deceit or subordination of one's principles. Integrity requires us to observe not only the letter, but also the spirit of this Code.

Principle 2 – Objectivity

Objectivity requires intellectual honesty and impartiality. It is an essential quality for any professional. Regardless of the particular service rendered or the capacity in which we function, we should protect the integrity of our work, maintain objectivity, and avoid subordination of our judgment that would be in violation of this Code.

Principle 3 – Competence

One is competent only when one has attained and maintained an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation or client referral is appropriate. In addition to assimilating the common body of knowledge required and acquiring the necessary experience, we shall make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness

Fairness requires impartiality, intellectual honesty, and disclosure of conflict(s) of interest(s). Fairness involves a subordination of one's own feelings, prejudices, and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Principle 5 – Confidentiality

A client, by seeking our services, may be interested in creating a relationship of personal trust and confidence with us. This type of relationship can only be built upon the understanding that information supplied to us or other information will be confidential. In order to provide the contemplated services effectively and to protect the client's privacy, we shall safeguard the confidentiality of such information.

Principle 6 – Professionalism

Because of the importance of the professional services rendered by us, there are attendant responsibilities to behave with dignity and courtesy to all those who use those services, fellow professionals, and those in related professions. We also have an obligation to cooperate with fellow professionals to enhance and maintain the profession's public image and to work jointly with these professionals to improve the quality of services. It is only through the combined efforts of all of us that this vision can be realized.

Principle 7 – Diligence

We shall act diligently in providing professional services. Diligence is the Provision of services in a reasonably prompt and thorough manner. Diligence also includes proper planning for and supervision of the rendering of professional services. It is also critical that we remain in compliance with current governing industry laws and regulations, prohibit against misrepresentation of services and always provide full disclosure of our fee structure.

Principle 8 – Insider Trading

We will not engage in the practices of investment banking, merger and acquisition or trading in firm accounts. We will not retain a department or departments devoted to industry or specialty research of the caliber that would warrant the institution of Chinese Walls, restrictions on access to confidential files or correspondences, monitoring of trading in firm accounts or any of the usual safeguards against insider trading in the type of firm for whom a significant portion of revenue derives from various areas of corporate finance. We are aware of Section 204(a) of the Code and will not participate in insider trading by using material, non-public information.

- B. Advisor does not recommend to clients securities in which the Advisor or a related Person in which the Advisor or a related person has a material conflict of interest.
- C. Advisor employees can buy or sell investments in the same securities that are recommended to clients. With the exception of block equity and bond trades, no employee of the Advisor may purchase or sell any security prior to a transaction(s) being implemented for a client's account. All employee trades are entered on a trade memorandum and must be approved before and after the trade is executed. There is no material conflict of interest.

12. Brokerage Practices

- A. In selecting a broker-dealer to execute clients' trades, Advisor considers the full range and quality of a broker's services in placing brokerage, including, among other things, the value of research provided as well as best execution capability, transaction costs, financial responsibility, professionalism, reliability and responsiveness to Advisor. It is important to note that the Advisor receives no commissions for the purchase or sale of any retail or institutional products. The determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution for the managed account. Advisor considers the foregoing factors, which will enhance the portfolio management capabilities of Advisor that such factors are of a direct benefit to clients. Advisor as a fiduciary will always endeavor to act in its client's best interest.

Advisor may recommend that clients establish accounts with Schwab Institutional, division of Charles Schwab & Co., Inc (Schwab) and/or Fidelity Investment Advisors Group (Fidelity), members of SIPC to maintain custody of client's accounts and to effect trades for their accounts. However, it is the client's decision to custody assets with a specific broker-dealer. Advisor is independently owned and operated and is not affiliated with Schwab or Fidelity. While there is no direct linkage between the investment advice given and participation in these institutional services, economic benefits are received which would not be received if Advisor did not give investment advice to clients. These benefits include research, brokerage, custody, access to mutual funds otherwise available only to institutional investors, or requiring a significantly higher minimum initial investment; software and other technology that provide access to client account data (such as trade confirmations and bundled duplicate statements) and facilitate trade execution (and allocation of aggregate trade orders for multiple client accounts-block trading) provide research, pricing information and other data, facilitate payment of Advisor's fees from its client accounts, and assist with back office support and record keeping of Advisor's account.

Schwab/Fidelity also offer other services intended to help Advisor manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab/Fidelity may make available, arrange and/or pay third party vendors for the types of services rendered to Advisor. Schwab/Fidelity may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third party providing these services to Advisor personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab/Fidelity, Advisor may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab/Fidelity. The benefits received through participation in those institutional services do not depend upon the amount of transactions directed at either one. The services received are not contingent upon Advisor committing any specific amount of business (assets in custody or trading).

The Advisor does receive a benefit, but any benefits received are used to service all our client accounts. There were no procedures used during the last fiscal year to direct client transactions to a particular broker-dealer because the benefits received, in the opinion of the Advisor, were balanced. Our main incentive is our clients' receiving best execution.

1. Brokerage for Client Referrals

The Advisor is part of the Fidelity Wealth Advisor Solutions, an Advisor referral program designed to help Fidelity clients and prospects select and Advisor for wealth management. If a referral from a Fidelity Wealth Advisor Representative engages the services of the Advisor, the Advisor has an obligation to conduct transactions through Fidelity Brokerage Services, LLC and Fidelity Institutional Wealth Services. Fidelity is not compensated by the Advisor for the referral and the Advisor is under no obligation to use any Fidelity products.

2. Directed Brokerage

We do not permit clients to direct brokerage because the Advisor will not be able to obtain volume discounts and favorable execution of transactions. This practice will cost the client money and in the opinion of the Advisor violates regulations of the Securities Exchange Commission by not obtaining best execution.

B. Aggregation of Orders

Investment decisions for each of Advisor's clients will be made by the Advisor Independently from the investment recommendations or determinations made on behalf of other clients. Investments deemed appropriate for one client may also be deemed appropriate for other clients, so that the same security may be purchased or sold at or about the same time for more than one client. In those circumstances, Advisor may determine that orders for the purchase or sale of the same security for one or more of these clients should be combined. If so, the transactions will be allocated as nearly as practicable in proportion to the amounts desired to be purchased or sold for each client. Advisor will not aggregate transactions unless it believes that aggregation is in the best interests of the affected clients, is consistent with its duty to seek best execution for its clients and is consistent with the terms of its investment Advisory agreement with each client for whom transactions are being aggregated.

We will always take the opportunity to obtain discounts on execution costs by aggregating orders. The consequences of not following this process usually results in higher trading costs for clients.

13. Review of Accounts

- A. Client portfolios are reviewed at an account level prior to any purchases, targeted sales, or block purchase allocations. Every client is initially established within our Customer Relationship Management (CRM) system (hereafter referred to as ACT), with standard demographic information as well as the Investment Policy Statement (IPS) that provides details including asset

allocation targets, and any client-specific information that needs to be considered relative to the management of their investment portfolios. The ACT database serves as a perpetual repository for all forward client communications and notes.

Advisor reviews client portfolios on both a routine basis and a real time basis, utilizing a combination of tools within our portfolio management system, Schwab Performance Technologies PortfolioCenter (hereafter referred to as PortfolioCenter), and Morningstar Principia® (hereafter referred to as Principia).

On a routine basis, client portfolios will be modeled in Principia for analysis and review prior to making tactical or strategic component changes. Frequency is based on the size and complexity of the account and the nature of the components used. Also, on a real time basis, client accounts will be reviewed within PortfolioCenter following block purchases or block sales, as well as any sales triggered by equity stop loss orders, to identify portfolio rebalancing conditions.

For *all* purchases, a further review is made of client notes and history within ACT to determine whether there are any *recent changes* or updates based on client/Advisor communications affecting the targeted portfolio purchases and/or the stated current asset allocation guidance, as well as a review of any client *exception items* that would make the target purchase inappropriate. The investment Advisor representative and portfolio managers are the professionals who review client accounts.

- B. A review is also triggered when a client informs the Advisor about changes to their financial objectives, needs, and goals.
- C. Clients are provided quarterly written or electronic reports consisting of a market commentary, quarterly invoice, portfolio performance review, portfolio statement and an institutional Principia® report.

14. Client Referrals and Other Compensation

There is no arrangement under which Advisor receives any economic benefit and Advisor has no arrangement where it compensates another for a client referral.

15. Custody

There is no custody or possession of client funds or securities. Clients will receive account statements directly from a qualified custodian. Clients will also receive account statements from Advisor and are urged to compare the Advisor's statements with those received from a qualified custodian.

16. Investment Discretion

The client executes a limited power of attorney giving the Advisor discretionary authority to manage investment accounts on their behalf. The Advisor does not have discretionary authority for illiquid securities or securities the client has requested Advisor not to manage. Advisor also does not have discretionary authority for participant directed profit sharing plans (401(k), 403(b)).

17. Voting Client Securities

Harvest does not have nor will we accept authority to vote client securities. We do not advise clients about a particular solicitation. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Our proxy voting policies and procedures are part of our investment Advisory agreement. Clients may obtain a copy of our proxy voting policy and procedures upon request.

18. Financial Information

There is no financial condition that will impair the Advisor's ability to meet contractual commitments to clients.