



# Harris myCFO Investment Advisory Services, LLC

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May 2, 2011

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This brochure provides information about the qualifications and business practices of Harris myCFO Investment Advisory Services, LLC. If you have any questions about the contents of this brochure, please contact us at (650) 210-5418. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Harris myCFO Investment Advisory Services, LLC is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov)

## **Item 2 Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission amended the required content for the disclosure document (referred to either as ADV Part 2 or simply brochure) registered investment advisers provide to clients . This brochure, dated March 31, 2011, is prepared according to those new requirements and rules. While the content of this document is substantially similar to our 2010 ADV Part 2 and Schedule F disclosures, it requires certain new information that our previous brochure did not.

We will provide you with a new brochure when changes or new information warrant or when you request, all without charge.

Copies of this brochure are available by contacting Romey Singh-Erb at (650) 210-5418.

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## Item 4 Advisory Business

### Harris myCFO Investment Advisory Services, LLC

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Suite 100  
Palo Alto, CA 94303  
(650) 210-5000

Assets under Management: \$5.2B

*Discretionary as of 12/31/2010*

Assets under Management: \$2.1B

*Non-Discretionary as of 12/31/2010*

Organized as: Delaware Limited Liability Company  
(04/20/2005)

Harris myCFO Investment Advisory Services, LLC (“Harris myCFO”) provides discretionary investment management to high-net worth individuals and their families, personal trusts, family offices, and family businesses. As part of its investment advisory services, Harris myCFO writes investment policy statements; develops asset allocation strategies; selects both sub-advisers and investment funds of various types (mutual, private equity, hedge, venture capital, etc.); and monitors and reports on portfolio performance.

In some cases, Harris myCFO provides non-advisory reporting-only or other administrative services pursuant to which Harris myCFO provides reports on account activity, traditional and alternative assets, asset allocations, investment gains/losses, performance and such other information as client requests and Harris myCFO agrees to provide.

Harris myCFO is a wholly-owned subsidiary of Harris myCFO Inc., in turn wholly-owned by Harris Financial Corporation (“HFC”) through Harris RIA Holdings, Inc. HFC is a wholly-owned subsidiary of Bank of Montreal.

## Item 5 Fees and Compensation

The Harris myCFO fee schedule is based on the market value of client assets under management. Assets under management include: (1) traditional and alternative assets and (2) concentrated equity positions as described below under “Fees for Management of Concentrated Equity Positions.” Alternative assets include, but are not limited to, venture capital investments, private investment pools, hedge funds, crossover funds and similar investments.

Harris myCFO invoices fees quarterly in arrears, with the initial quarter’s estimated fee due and payable in advance. For all fee schedules, a client’s fee for the initial calendar quarter is based on the value of the client’s assets under management as specified by the client. Future invoices will continue to be based on such values until Harris myCFO has received reports from the respective custodians to determine such assets’ market values or until Harris myCFO otherwise determines the market values of such assets.

In subsequent quarters, Harris myCFO assesses fees at one-quarter (1/4) of the annual applicable percentage rate set forth in the client’s fee schedule. The applicable annual percentage rate shall be determined quarterly based on the average of the market values in the client’s account on the last calendar day of each calendar month during such calendar quarter. The quarterly fee is determined by applying one-quarter (1/4) of the applicable annual percentage rate to the average of the market values in the account on the last calendar day of each calendar month during the calendar quarter.

### Investment Advisory Fee Schedule

Annual Percent	Incremental Assets	Total Assets Under Advisement	Total Annual Fee	Effective Percent
0.60% for the first	\$10,000,000	\$10,000,000	\$60,000	0.60%
0.40% for the next	\$25,000,000	\$35,000,000	\$160,000	0.46%
0.30% for the next	\$35,000,000	\$70,000,000	\$265,000	0.38%
0.20% for the next	\$50,000,000	\$120,000,000	\$365,000	0.30%
0.17% for the next	\$100,000,000	\$220,000,000	\$535,000	0.24%
0.14% for the next	\$100,000,000	\$320,000,000	\$675,000	0.21%
0.12% for the next	\$100,000,000	\$420,000,000	\$795,000	0.19%
0.06% for the next	\$100,000,000	\$520,000,000	\$855,000	0.16%
0.03% for the next	\$500,000,000	\$1,020,000,000	\$1,005,000	0.10%

### **Investment Advisory Fee when combined with family office services provided by Harris myCFO, Inc.**

<b>Annual Percent</b>	<b>Incremental Assets</b>	<b>Total Assets Under Advisement</b>	<b>Total Annual Fee</b>	<b>Effective Percent</b>
0.80% for the first		\$15,000,000	\$120,000	0.80%
0.60% for the next	\$15,000,000	\$30,000,000	\$210,000	0.70%
0.45% for the next	\$20,000,000	\$50,000,000	\$300,000	0.60%
0.35% for the next	\$50,000,000	\$100,000,000	\$475,000	0.48%
0.25% for the next	\$100,000,000	\$200,000,000	\$725,000	0.36%
0.20% for the next	\$200,000,000	\$400,000,000	\$1,125,000	0.28%
0..20% for the next	\$300,000,000	\$700,000,000	\$1,725,000	0.25%
0.10% for the next	\$300,000,000	\$1,000,000,000	\$2,025,000	0.20%

### **Fees for Management of Concentrated Equity Positions**

Harris myCFO charges an annual fee of 0.03% on that portion of a client's account that comprises securities that the client may have received in their capacity as a founder, director, or employee of the issuer of the securities ("Concentrated Equity Positions"). The minimum annual fee for Concentrated Equity Positions is \$10,000 and the maximum annual fee is \$50,000.

### **Negotiated Fees and Minimums**

Clients may negotiate fees and in some cases may agree to a flat fee. In general, Harris myCFO's minimum account size is \$25 million and the corresponding fee is \$30,000 for any calendar quarter, exclusive of fees for Concentrated Equity Positions. The minimum fee for clients on the combined fee schedule is not less than \$45,000 for any calendar quarter, exclusive of fees for concentrated equity positions. Harris myCFO reserves the right to waive our minimum account size and fee at our discretion. Some current clients are on fee schedules no longer offered.

### **Reporting-Only Service Fees**

Fees for reporting services, exclusive of any advisory services, vary based on the number of reporting accounts and the number, types, and complexity of the requested reports.

### **Administrative Service Fees**

Fees for administrative services, exclusive of any advisory services, are based on the nature and type of administrative services provided.

## **Additional Fee Disclosures**

Harris myCFO's fees do not include fees a client may be charged by sub-advisers, private funds, mutual funds, brokers, custodians, or other third parties. Clients may elect to have their portfolios debited directly for the fees incurred or have an invoice mailed directly to them.

Harris myCFO rebates unearned advisory fees upon termination of the investment advisory contract.

Neither Harris myCFO nor any of its supervised persons receives compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Harris myCFO no longer accepts performance-based fees. However, Harris myCFO serves as general partner and discretionary investment adviser to certain private investment funds (the "myCFO Funds"). Harris myCFO receives an annual Management Fee equal to 0.75% of the aggregate Capital Commitments of each investor. In addition, each investment is subject to the management fee (generally 2% - 2.5% of the capital commitment) and performance allocation (generally 20% of net profits) charged by the underlying funds in which the myCFO Fund invests.

## **Item 7 Types of Clients**

Harris myCFO generally provides portfolio management services to a select segment of ultra high net worth individuals. Harris myCFO defines the ultra high net worth market segment as individuals or families with more than \$100MM net worth or \$25MM of investment assets. Harris myCFO may waive these minimum requirements in the event that a client is able to make representations concerning their sophistication as an investor and their ability to bear the risk of loss of their entire investment under Harris myCFO's management.

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

Harris myCFO develops a comprehensive investment policy based on the integration of liquidity needs, risk tolerance, tax implications, wealth transfer and philanthropic goals. The terms of the investment policy combined with capital market assumptions forms the investment management strategy.

Harris myCFO implements the investment strategy by selecting money managers, individual securities, private investment funds and/or mutual funds that it believes are compatible with the policy.

As a general matter, sub-advisers and private investment funds are identified and selected based on factors that include reputation, performance record, philosophy, the continuity of management service to clients, minimum dollar investment requirement, and fees. Information with respect to money managers and private investment funds generally (e.g., performance figures and investment style,) is obtained by Harris myCFO from tracking organizations, business publications, money managers or private investment funds and other sources. Harris myCFO selects mutual funds based on the following factors: whether they have no-load or low-load features, performance or return and cost efficiency, the identity of the fund managers, size of fund and turnover ratio. Further, Harris myCFO may use information obtained from rating and tracking organizations, business publications, fund prospectuses and other sources, to select funds. Harris myCFO also may consider other criteria, including, but not limited to, the administrative, recordkeeping, communication, reporting and other services provided by a fund.

In some cases, Harris myCFO's formulates investment advice based on asset allocation models based on prototype client profiles developed by Harris myCFO. In formulating these asset allocation models, Harris myCFO considers a number of factors, including but not limited to, the ramifications of different investor profile characteristics on investor philosophy and an assessment of current economic and market views expressed by economists, analysts, and leading banks and securities firms.

Harris myCFO requires clients to make certain representations concerning their sophistication as investors and their awareness of the risk of loss of their entire investment under Harris myCFO's management. Due to the nature of the various investment styles and money managers that Harris myCFO recommends to clients will subject clients to numerous forms of risk.

All investments face the risk of loss of capital. Harris myCFO makes no guarantee or representation of performance.

Loss of Capital The possibility of partial or total loss of capital exists and clients should be prepared to bear the consequences of such loss.

Fraud Harris myCFO conducts due diligence reviews of its approved sub-advisers. However, due diligence is not a perfect process and may not uncover all problems.

Business and Financial Risk of Sub-advisers Individual money managers may experience rapidly changing business conditions or unforeseen loss of capital causing the firm to have a weak financial condition.

Limited Liquidity In some circumstances, clients will experience limited liquidity, which may mean a limited ability to sell, transfer, exchange, assign, pledge, hypothecate or otherwise dispose of their investments.

Alternative Assets Alternative assets present several unique risks including liquidity risk and counterparty risk.



Taxation Timing of capital gains, purchases and sales, and changes or modifications to existing tax laws may negatively affect the performance of a client's portfolio.

Valuation Certain securities or market conditions may make it difficult or impossible to efficiently price securities.

Institutional Risk Institutions such as brokerage firms, banks, or managed funds will have custody of the client's assets. Bankruptcy, fraud, or misrepresentation could impair a client's portfolio.

Counterparty Risk In certain circumstances a sub-adviser may enter into a transaction involving counterparty creditworthiness. These risks may differ materially from those entailed in exchange-traded transactions.

International Investments International investing presents unique risks including currency risk and exposure to foreign investment rules and regulations. Currency exchange rates are highly volatile and a profitable investment may lose its value because of currency fluctuations.

## **Item 9 Disciplinary Information**

Harris myCFO has no Disciplinary Information material to this item

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

Harris myCFO has no officers, directors, or employees registered as or pending registration as a broker-dealer or registered representative of a broker-dealer.

Harris myCFO has no officers, directors, or employees registered as or pending registration as a futures commission merchant, commodity pool operator, commodity-trading advisor, or an associated person of the forgoing entities.

Harris myCFO's investment advisory services complement the family office services offered by Harris myCFO's parent, Harris myCFO, Inc. Harris myCFO, Inc., provides these various services to clients pursuant to a separate contract between the client and Harris myCFO, Inc. Harris myCFO, Inc.'s specific services include collecting receivables, preparing budgets, paying bills, monitoring bank accounts, assisting in identifying appropriate insurance coverage, implementing retirement, estate, and philanthropy planning, preparing income tax estimates and returns, and assisting in the purchase, sale, rental, financing, or refinancing of property. The client should consult the separate agreement for more details on these services.

Harris myCFO also operates under the brand name Harris myCFO®, which includes its parent, Harris myCFO Inc., and certain divisions of Harris N.A., a national bank affiliate with trust powers. Pursuant to an agreement with Harris N.A., Harris myCFO receives research and other services essential to their investment advisory services offering.

## **Item 11 Code of Ethics**

Harris myCFO understands its role as a fiduciary and the importance of protecting the integrity of the clients' assets as well as the firm. Therefore, in accordance with SEC rules and firm principles, Harris myCFO has established a Code of Ethics, which governs the actions of the firm's officers and employees. Among other items, the Code of Ethics addresses potential conflicts of interest, a prohibition against making buy/sell decisions on non-public information, and disclosing individual portfolio holdings and transaction reports.

A copy of the Harris myCFO Code of Ethics is available to clients upon request.

## **Item 12 Brokerage Practices**

In selecting a broker for any transaction or series of transactions, Harris myCFO considers a number of factors including, without limitation, the broker's commission rate, convenience, execution quality, clearance and settlement capabilities, Harris myCFO's past experience with the broker (including prior performance in serving Harris myCFO's clients), reputation, error resolution, research services, block trading and block positioning capabilities, back office efficiency, financial stability, and the broker's willingness to execute difficult transactions in the future. In seeking best execution for client trades, the determining factor is not the lowest possible commission rate, but rather the broker/dealer's ability to provide qualitative executions, competitive commission rates, research, and other professional services.

If Harris myCFO believes that the purchase or sale of a security is in the best interest of more than one client, Harris myCFO may, aggregate the securities to be sold or purchased, to the extent permitted by applicable laws and regulations and consistent with Harris myCFO's duties to its clients. Pricing and timing of aggregated transactions may not be the same for all accounts. Harris myCFO will allocate the transactions, as well as the expenses incurred in the transactions in an equitable manner. Under these circumstances, a disparity in prices may exist between the prices paid by a client who directs Harris myCFO to use a particular broker or dealer and other clients who do not direct Harris myCFO to use a particular broker or dealer.

Harris myCFO's does not effect any principal transaction with, or agency cross securities transactions or cross trades between, client accounts.

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

Senior Investment Advisors regularly review accounts. Harris myCFO provides clients with quarterly reports, which provide detailed information concerning the performance of the client's account and other matters. Information provided in the quarterly reports is based on information available as of the prior quarter's end, except insofar as valuations and transactions in certain investments are not provided to Harris myCFO by third parties on a timely basis.

Although official statements of account holdings are provided by the custodian(s) of client accounts, Harris myCFO may provide position reconciliation and aggregate account summary reporting for clients' convenience. Information on these summaries is based on electronic or hard copy statements provided by brokers, custodians or other third party providers. Although Harris myCFO makes reasonable efforts to highlight and correct missing or inaccurate information on custodians' statements, the summary statements prepared by Harris myCFO should be considered solely as informational rather than official records.

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

Harris myCFO receives no compensation from any person or entity other than client as identified in the investment management agreement. Harris myCFO does not compensate, directly or indirectly, any unsupervised person for client referrals.

### **Item 15 Custody**

Clients will receive statements directly from the broker-dealer, bank or other qualified custodian where their accounts are held. We urge clients to review these statements and compare them to the quarterly investment reports provided by Harris myCFO. Quarterly investment reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 Investment Discretion**

Harris myCFO accepts discretionary authority to manage the client's investment assets. As part of the advisory agreement with the client, Harris myCFO obtains a limited power of attorney with authority to, among other things, invest assets in a wide variety of asset classes (suitable to client's investment objectives and appropriate strategies), retain certain service providers, including sub-advisers to manage the client's investment assets, and recommend private investment funds — private equity, venture capital, hedge, etc.

The client reserves the authority to place limitations on the discretionary authority of Harris myCFO. Such limitations are most often restrictions on the types or amounts of securities to be purchased and are either placed within the investment guidelines or provided to Harris myCFO via a separate written instruction from the client.

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

As a matter of firm policy and practice, Harris myCFO does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

### **Item 18 Financial Information**

Not Applicable

### **Item 19 Requirements of State Registered Advisors**

Not Applicable