

## FIRM BROCHURE (PART 2A OF FORM ADV)

HARPSWELL CAPITAL ADVISORS, LLC  
41 CAMPUS DRIVE, SUITE 203  
NEW GLOUCESTER, MAINE 04260  
(207) 926-1380  
[www.harpswelladvisors.com](http://www.harpswelladvisors.com)  
[info@harpswelladvisors.com](mailto:info@harpswelladvisors.com)

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This brochure provides information about the qualifications and business practices of Harpswell Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at: (207) 926-1380, or by email at: [info@harpswelladvisors.com](mailto:info@harpswelladvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about Harpswell Capital Advisors, LLC, also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: MATERIAL CHANGES

### ***Material Changes since the Last Update***

Harpowell continues to grow as its OCIO/endowment model of investing gains more and more traction. The firm's strategy includes allocating assets to a number of specialized outside fund managers (including considerable allocations to low cost passive funds). As a result of the firm's growth, we are no longer eligible to operate under the state registration with the Maine Office of Securities. We have therefore registered with the Securities and Exchange Commission (SEC).

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## ITEM 4: ADVISORY BUSINESS

### ***Firm Description***

1. Harpswell Capital Advisors, LLC (“Harpswell Advisors”), a Delaware limited liability company formed in August 2013. Harpswell Advisors was created as a vehicle for foundations, endowments, institutions, and families to invest utilizing an endowment style investment strategy. Harpswell Advisors invests directly in fixed income securities, mutual funds and derivatives as well as some private fund investments, which may include private equity and hedge funds. We allocate assets to outside managers as we see benefits associated with the specialization, economics and differentiated strategies which we feel are appropriate and best serve our clients in a capacity that helps them meet their investment goals.
2. Harpswell Capital Advisors, LLC was created with guiding principles that we feel significantly differentiate it from competitors. In addition to embracing a competitive performance focused approach to investing, Harpswell Advisors makes every effort to reaffirm its commitment of being fully aligned with its investors. Harpswell was created with the intention of maintaining an active role in the Maine communities and expects to remain a significant contributor to Maine’s philanthropic and nonprofit institutions.
3. John P. Moore (Jack) founded Harpswell Capital Advisors, LLC with a team that share his passion for offering world class investment services in Maine with superior terms and set an example of what it means to be fully aligned with your investors.
4. Jack resides in Yarmouth with his wife, Alison, and three boys and is active in the community. Jack serves on several boards including the United States Olympic Biathlon foundation, the Portland Museum of Art. Jack also serves on several investment committees including the University of Maine System, Maine Health and the Portland Museum of Art.

### ***Principal Owner***

John P. Moore is the sole principal owner of Harpswell Advisors.

Although there are no other principal owners at this time, Harpswell Advisors has considered potentially expanding ownership to employees and /or key stake holders (including investors).

### ***Types of Advisory Services***

Harpwell provides general investment supervisory services for portfolios which include: equity, fixed income and real asset investment funds, and bonds. Harpswell also provides investment consulting and advisory services for some clients. The firm allocates a majority of investments to outside managers.

### ***Tailored Relationships***

The firm focuses on constructing an effective portfolio for each client that is tied to each endowment, institution or family's investment goals, risk tolerances, and specific investment requirements. Portfolio rebalancing is generally to be performed periodically and intra-quarter reallocations may also be made when allocation limits are hit or in response to market conditions and forecasts.

### ***Assets Under Discretionary and Non-Discretionary Management***

As of May 31, 2017, Harpswell Advisors' discretionary clients' assets under management were \$116,213,000 (rounded to the nearest thousand).

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## **ITEM 5: FEES AND COMPENSATION**

### ***Description***

Harpwell Advisors charges management fees at a rate of 0.40% per annum of assets under management. Harpswell may develop a special fee structure for some investors when circumstances suggest such amendments are warranted. Portfolio valuations used for billing may differ slightly from the custodian's quarter end statement due to unsettled trades, dividends and interest, and decimal place rounding of non-dollar denominated assets and fixed income pricing.

For advisory services, Harpswell Advisors' minim fee is \$10,000. Under some circumstances, the firm may wave this minimum fee level.

Consulting, or non-advisory, services are performed occasionally for nonadvisory clients (Harpwell does not charge extra for these services to advisory clients). The fees for these services performed for non-advisory clients entail a flat fee (depending on the nature and scope of the services).

### ***Fee Billing***

Clients are billed quarterly in arrears. Fees are invoiced directly to the custodian for each client's account, to be paid directly from account assets.

### ***Other Fees or Expenses***

Harpowell does not charge any additional fees on top of its single charge on assets. Investors will, however, be charged fees or commissions related to Harpowell Advisors' investments in outside managers (i.e. fees and expenses imposed by such managers), as well as transaction expenses, including brokerage expenses (please see Item 14 of this brochure for further details), and transaction based expenses of Harpowell's independent custodian (Pershing). None of these additional fees/expenses go to Harpowell. As your advocate and partner, Harpowell Advisors will strive to minimize these fees and expenses as much as prudently possible.

### ***Participation or Interest in Client Transactions***

Not applicable.

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## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Harpowell Advisors does not charge any performance based fees.

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## **ITEM 7: TYPES OF CLIENTS**

Harpowell Advisors' clients are expected to consist primarily of foundations, endowments, institutions and families with investment goals and parameters that require considerable detail and customization. We review each potential client on a basis of several factors to assess the quality of fit and look to only partner with those families and institutions where there is the best fit. In general, we only expect to accept clients that are institutional or high net worth in nature. The firm expects to manage capacity and resources to ensure service quality is maintained at the highest level.

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## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### ***Methods of Analysis and Investment Strategies***

Harpowell Capital Advisors, LLC invests predominately in outside managers, bonds and hard assets. We believe that the firm is well positioned to directly invest a portion of our clients' portfolio, however we recognize that there are numerous benefits associated with allocating to specialized managers who have the benefits of a well defined expertise and economies of scale with respect to both their fund and their firm. Harpowell Advisors has a value bias and analyzes its investment decisions from a long term risk and reward perspective however we also express current market views through shorter term tactical allocations. The firm starts with asset allocation from a top-down perspective and evaluates individual investments with respect to their fit for the portfolio as well as a bottoms-up assessment of the long term economics of the investment.

In general, the firm will seek to employ a model similar to that of university endowments (or OCIO), which embraces an approach to portfolio management that targets a higher level of diversification as a means of achieving improved risk-adjusted returns. The firm will, in each individual client's case, focus on constructing an effective portfolio for the client that is tied to

his, her or its investment goals, risk tolerances, and specific investment requirements. Portfolio rebalancing is performed on a regular basis and intra-quarter reallocations may be made when allocation limits are hit or in response to changes in market conditions and forecasts.

Harpowell Advisors' investment strategy generally features a bias towards value investment but recognizes that other factors may drive outperformance under certain conditions. Harpswell Advisors makes all investments under a thesis for long term appreciation.



Harpowell Advisors embraces a strong performance oriented culture and focuses more on longer-term valuation variables over shorter term trends. The firm also places great importance on corporate governance and quality of management and feels these factors are a key determinate of value creation. To this end, we assess a wide range of investments including those that may be considered to be contrarian and sometimes favor investments that are out of favor with the consensus view yet offer attractive longer-term return potential.

Harpowell Advisors relies heavily on a well-structured investment process and devotes considerable resources to risk analysis and has regular contact with most of the managers and firms it invests in.

### ***Risks of Loss***

Harpowell invests in ETFs, mutual funds, bonds, and sometimes alternative investments. Each asset class, along with each individual investment, carries varied degrees of risk of loss. Harpswell assesses investments from a long-term fundamental perspective and aims to engineer portfolios that have an attractive risk and reward balance. Despite a strong bias for diversification, all Harpswell portfolios do carry risks of losses, particularly in times of escalated market volatility. Harpswell does focus on capital preservation yet extraordinary markets can potentially generate material losses.

Our investment decisions and recommendations are based upon our professional judgment. We do not guarantee the results of any of our investment decisions or recommendations, the future performance of your Assets or Accounts, any specific level of performance, the success of any Independent Manager, investment decision, strategy or recommendation made by an Independent Manager, or the overall success of the Account. Past performance is not indicative of future results. Investments in your Account may go up or down in value depending on market conditions.

Harpowell Advisors was established in 2013 and previous performance from Harpswell Capital Management and Jack Moore (or any other Harpswell employees) should not be taken as any indication of expected results from Harpswell Advisors' investment strategies.

To the extent that any portion of the portfolio is placed under the management of third party portfolio managers, Harpswell Advisors may have only limited information about the daily investing activities of such managers. While we will strive to be diligent in our selection process, Harpswell Advisors and its clients must rely on the skill and diligence of such third parties in their performance of their duties.

In addition to the above, clients and prospective clients should note that all investment programs have certain risks that are born by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients face the following major investment risks:

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to general market events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger broad pricing changes.

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Deflation Risk: When financial structures and investments lose value associated with the decrease in assets prices. If debt is serviced with variable cash flows that are reduced by a drop in prices, considerable finance risks can be presented.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Political Risk: Overseas investments, especially in emerging markets, are exposed to the risk of political instability, capital controls, punitive taxes and expropriation.
- Reinvestment Risk: Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Certain highly illiquid assets (such as private real estate, private equity, venture capital and hedge funds subject to long term "lock ups" and/or "gates" on withdrawals) and will be appropriate only for clients who have no need for present liquidity with respect to the investment.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

The above noted risks are not intended to be a complete explanation of all the risks involved in Harpswell Advisors' investment strategies. In addition to this brochure, current and prospective clients should carefully read the terms of any agreements to be entered into with Harpswell Advisors in their entirety. Such materials may contain a more thorough discussion of the risks involved in any such investment or investment program.

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## ITEM 9: DISCIPLINARY INFORMATION

Nothing to disclose.

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## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### ***Broker-Dealer Registration***

Harpowell Advisors is not registered, nor does it have any plans to register, as a broker-dealer.

### ***Futures, Commodity Pool Operator, Commodity Trading Advisor***

Harpowell Advisors is not registered, nor does it have any plans to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any such entity.

### ***Related Person Arrangements***

Harpowell Advisors does not have any arrangements that are material to its advisory business or to its clients with any of the specified categories of related persons.

### ***Arrangements With Other Investment Advisers***

Harpowell does not have any arrangements with other investment advisers to disclose.

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## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### ***Code of Ethics***

Harpowell Advisors has adopted a Code of Ethics (the “Code”), a copy of which is available to clients upon request without charge. The purpose of the Code is to set forth certain key guidelines that have been adopted by Harpswell Advisors as office policy. It provides guidance for all personnel and specifies the responsibilities of all of Harpswell Advisors’ employees to act in accordance with their fiduciary duty to clients and to comply with applicable federal and state laws and regulations. The standards are premised on the concepts of integrity, honesty and trust, and in full compliance with all applicable federal and state laws and regulations concerning the securities industry. The following is a summary of certain provisions of the Code.

### ***Confidential Information***

As an investment advisor, Harpswell Advisors has a fiduciary duty to its clients not to divulge or misuse information obtained in connection with its services as an advisor. All information, whether of a personal or business nature, that an employee obtains about a client’s affairs in the course of employment with Harpswell Advisors should be treated as confidential and used only to provide services to or otherwise to the benefit of the client. Harpswell Advisors’ services to the client, such as advisory services, should ordinarily be treated as confidential. Employees must not discuss or disclose confidential information about clients to anyone outside of the firm. Employees should not confide client information to their relatives, friends or strangers. The Code provides that any misuse of confidential information about a client may cause both the

client and Harpswell Advisors substantial injury; therefore, there are serious consequences for employees who fail to comply with the Code. In addition to client information, information about non-clients that may be included in client information also should be held in confidence.

The Code provides steps that employees can take to assure that confidential information is not disclosed to persons outside the office, including: avoiding inadvertent or accidental disclosure by engaging in careless conversation in public environments; safeguarding papers and documents by marking file folders and locking file cabinets when appropriate; and employing additional safeguards such as establishing barriers to the exchange of information in especially sensitive situations and exercising care when transmitting confidential information by email or through the internet.

Harpswell also recognizes non-client proprietary information relating to the firm must remain confidential to protect the competitive position and sustainability of the firm. The firm recognizes its obligation to protect its competitive positioning and sustainability to best serve its clients.

### ***Material Inside Information***

All Harpswell Advisors employees and all persons who receive nonpublic material inside information from employees concerning an issuer of securities (whether such issuer is a client or not or public or private) are subject to these rules. The Code provides that if any employee gives nonpublic material inside information concerning an issuer to a person outside Harpswell Advisors who then trades in securities of that issuer, the employee and that person may both have civil and criminal liability. To avoid confusion, inside information generally is information about an issuer's business or operations (past, present or prospective) that becomes known to an employee and which is not otherwise available to the public. If a person knows information about an issuer which the person believes would influence an investor in any investment decision concerning that issuer's securities and which has not been disclosed to the public, the person should not buy or sell that issuer's securities. The Code sets forth a list of certain kinds of information that are particularly likely to be considered "material inside information." In addition, the Code explicitly forbids the disclosure of material inside information to another person ("tipping") who subsequently uses that information for his or her profit.

In alignment with federal law, the Code prohibits any employee from using material inside information, whether obtained in the course of working at Harpswell Advisors or otherwise, for his or her private gain, for Harpswell Advisors' gain or for the client's gain. No trades should be executed for any employee, client or Harpswell Advisors, if Harpswell Advisors or the person executing the trade has material inside information about the issuer. Even in cases where the information is in the public domain, case law requires that a person waits for a reasonable period of time after the publication prior to disclosure. Therefore, employees should not trade in the affected securities without first consulting with the Chief Compliance Officer.

In order to simplify and streamline the rules around Harpswell Advisors employees and insider trading, all Harpswell Advisors employees are prohibited from trading for their own account in securities that where insider information is known.

All personnel receiving material, nonpublic information have the same duty not to disclose or use that information in connection with transactions of client securities. Employees also may not purchase or sell any securities with respect to which they have inside information for Harpswell Advisors' or for a client's account or cause clients to trade on such information until after such information becomes public. The foregoing prohibition applies whether or not the material inside information is the basis for the trade. Whenever employees come into possession of what they believe may be material nonpublic information about an issuer or come across information about an issuer in the public domain, employees should contact the Chief Compliance Officer as Harpswell Advisors as a whole may have an obligation not to trade in the securities of the issuer. The Chief Compliance Officer will inform appropriate personnel regarding issuers about which Harpswell Advisors has inside information so as to prevent any trading in securities of such issuers.

### ***Fiduciary Duty and Conflicts of Interest***

Harpswell Advisors and its employees have a fiduciary duty to act for the clients' benefit and to treat the clients fairly. Harpswell and its employees have a duty to take action on their clients' behalf before taking action in the interest of any employee or of Harpswell Advisors. The Code highlights many of the common conflicts of interest that may arise between Harpswell Advisors' employees and its clients. The manner in which an employee discharges his or her fiduciary duty and addresses a conflict of interest depends on the circumstances. Sometimes general disclosure of common conflicts of interest may suffice. Other times explicit consent of the clients to the particular transaction giving rise to a conflict of interest may be required. In other circumstances, an employee may be prohibited from engaging in the transaction regardless of whether the client consents. The client's consent will not in all cases insulate the employee against a claim of breach of the employee's fiduciary duty. Full disclosure of all material facts must be given if consent is to be effective. The duty to disclose and obtain a client's consent to a conflict of interest must always be undertaken in a manner consistent with the employee's duty to deal fairly with the client. Therefore, even when taking action with a client's consent, each employee must always seek to assure that the action taken is fair to the client.

The Code provides several common examples of conflicts of interest, including arrangements with selection and commissions of broker-dealers, gifts, and serving as a director or member of an investment committee of any public company, or of any organization where such duties might require involvement in investment decisions.

### ***Scalping or Front-Running***

As a general rule, any employee (or family member residing in that employee's household or other entity over which the employee has control) who knows of a pending "buy" recommendation or who is aware of a pending "sell" recommendation may not engage in the practice of purchasing or selling securities before Harpswell Advisors makes buy or sell recommendation to non-discretionary clients or takes action on the recommendation for its clients. Harpswell Advisors has taken steps to restrict access to material nonpublic information about its investment decisions, recommendations, client securities holdings and transactions, on a need to know basis.

### ***Unfair Treatment of Certain Clients Vis-à-vis Others***

An employee who handles one or more clients may be faced with situations in which it is possible to give preference to certain clients over others. Employees must be careful not to give preference to one client over another even if the preferential treatment would benefit Harpswell Advisors or the employee. The fiduciary duty of an employee to a client must govern the employee's actions in each situation and the extent of the fiduciary duty of an employee to a client is determined by the specific relationship between the parties and the reasonable inferences to be drawn from the relationship. In the absence of express or implied agreements between the parties, usage and custom should be used to determine how an employee should discharge his or her duty. Each situation should be examined closely to determine whether the client has consented to the employee's actions favoring another client and whether the resulting relationship with the client, which was not favored, is fair and consistent with the securities laws.

### ***Dealing with Clients as Agent and Principal***

In accordance with Section 206(3) of the Advisers Act, employees who are involved in situations where Harpswell Advisors is buying or selling securities from a client or acting as a broker-dealer for a non-client in a transaction with an advisory client, must disclose to the client in writing the capacity in which Harpswell Advisors acts, its profits (if it acts as principal) and its commissions (if it acts as agent for another) and obtain the client's consent. Employees must consult with the Chief Compliance Officer prior to entering such relationships. It is not expected that any such transactions will be approved.

### ***Personal Trading***

The Code establishes that all employees, partners, officers or directors of Harpswell Advisors are considered to be "Access Persons" as defined under the Advisers Act. Harpswell does not routinely buy shares in publicly traded companies; however, there could be occasions when clients require Harpswell to hold certain equity positions. Harpswell therefore maintains a list of holdings of securities (excluding funds) with respect to which Employees will be restricted in their personal investments (except and to the extent being invested by Harpswell Advisors on such Employee's behalf in parallel to client investments). Employees must obtain preclearance in writing from the Chief Compliance Officer before buying, selling, or pledging any security listed on such holdings list for any account in which the employee has or is deemed by the Code to have a beneficial interest ("Covered Accounts") if or when the firm buys individual stocks in the future. In addition, Employees must obtain preclearance before any investment by their Covered Accounts in any private placement of securities (including investing in any private fund) and in any initial public offering of securities by an issuer. Transactions effected without preclearance are subject, in the Chief Compliance Officer's discretion, to being reversed or, if the employee made profits on the transaction, to disgorgement of such profits. The Chief

Compliance Officer's trades shall be approved by the President or Harpswell's Compliance consultant.

Other policies on personal trading include: setting limits on short-term trading where no employee may engage in the purchase and sale, or sale and purchase, for a Covered Account of the same (or equivalent) securities within any period of 60 calendar days; as well as providing that no Covered Account may buy, own, or trade in any options or futures contracts on any securities or securities indices. In the case of limiting trades of options, futures and other similar derivative securities, and short term trading, the Chief Compliance Officer may grant exceptions in particular circumstances in which she determines that no potential exists for the appearance of impropriety and that this prohibition would result in unreasonable hardship for the employee or other beneficial owners of a Covered Account.

The Code imposes strict employee reporting standards. Under the Code, each employee must submit an initial holdings report no later than 10 days following later of the date of the Code or the date of initial employment with Harpswell Advisors, disclosing to the Chief Compliance Officer the identities, amounts, and locations of all securities owned in all Covered Accounts. In addition, each employee must disclose similar information within thirty (30) days after the end of each calendar year while employed by Harpswell Advisors, starting in Q1 2014. Such reports must be current as of a date not more than 45 days prior to the employee joining Harpswell Advisors (for an initial report) or the date the report is submitted (for the annual report).

In addition to self-reporting, each employee must instruct each broker, bank, or other financial institution in which the employee has a Covered Account to provide Harpswell Advisors with duplicates of all monthly or other periodic statements. Each employee also must report to the Chief Compliance Officer within 30 days after the end of each calendar quarter all securities transactions in all of the employee's Covered Accounts during the preceding quarter.

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## **ITEM 12: BROKERAGE PRACTICES**

Harpswell Advisors anticipates that it will select both the brokers that will make any transactions on behalf of its client accounts (to the extent the transaction is one requiring brokered execution), as well as a qualified custodian to hold account assets.

### ***Selecting Brokerage Firms***

Harpswell Advisors assumes general supervision over placement of securities orders for the client portfolios it manages. Harpswell Advisors has the authority to determine the broker-dealer to be used in any securities transaction and the commission rate to be paid. While the primary criterion for all transactions in portfolio securities is the execution of orders at the most favorable net price, numerous additional factors may be considered when arranging for the purchase and sale of clients' portfolio securities. These include restrictions imposed by the federal securities laws and the allocation of brokerage in return for certain services and materials described below.

Harpswell Advisors will determine the abilities of a broker-dealer to obtain best execution of a particular transaction by considering relevant factors, including, but not limited to: (i) execution



capabilities required by the transaction; (ii) ability and willingness of the broker-dealer to facilitate the account's portfolio transaction promptly and at reasonable expense; (iii) client's importance given to speed, efficiency or confidentiality; (iv) broker-dealer's apparent familiarity with sources buying and selling the securities; and (v) strength of the broker-dealer's research, quotation and consulting services and its ability to supplement Harpswell Advisors' management capabilities. The Best Execution and Soft Dollars Policy provides that Harpswell Advisors may use broker-provided research services which assist us in carrying out our investment decision making responsibilities.

Harpswell Advisors intends to comply with Section 28(e) of the Securities Exchange Act of 1934 in connection with, and to the extent that it uses, soft dollars. In cases where Harpswell Advisors acquires a research product or service with soft dollars that also has non-research uses, Harpswell Advisors will make a reasonable allocation of the cost of the product or service according to its use. Non-research services will be paid for by Harpswell Advisors in hard dollars.

All research services received from broker-dealers to whom commissions are paid are used collectively. There is no direct relationship between commissions received by a broker-dealer from a particular client's transaction and the use of any or all of that broker-dealer's research material in relation to that client's account. Harpswell Advisors may pay a broker-dealer a brokerage commission in excess of that which another broker-dealer might have charged for the same transaction in recognition of research and brokerage related services provided by the broker-dealer. Harpswell Advisors does not anticipate entering into any directed brokerage arrangements with its clients.

We expect that we may at times aggregate orders for multiple client accounts when we have determined that a particular investment is applicable for more than one account. However, the determination of whether or not to aggregate orders will remain in our discretion, and we may in certain instances determine not to do so, including, for instance, if we determine that it will not be practicable to allocate block order among a large number of client accounts within the applicable settlement period or if we do not believe that aggregation will achieve a material better execution price. In the event that Harpswell Advisors elects not to aggregate client trades in a particular instance, it is possible that such decision may result in higher transaction costs, or differing trade prices among client accounts.

On a semi-annual basis, the Chief Compliance Officer shall review the list of brokers with whom Harpswell Advisors does business, the commissions paid to such brokers and the soft dollar products and services provided by such brokers to Harpswell Advisors and assess whether Harpswell Advisors is achieving best execution and is complying with its brokerage policy. The Chief Compliance Officer shall provide a written report of such assessment to Harpswell Advisors' President, along with any recommendations for changes.

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## **ITEM 13: REVIEW OF ACCOUNTS**

### ***Periodic Reviews***

All client accounts, including account holdings and performance, are monitored on a regular basis by the Harpswell team. John P. Moore, the President and Managing Director of the



Company, oversees the monitoring and management process for all clients and works closely with team members who work with specific clients.

### ***Review Triggers***

Accounts are reviewed on a regular basis and may be reviewed on a more frequent basis during periods of exceptional volatility. Formal reviews are performed monthly where asset positioning is updated and manager performance is examined. Harpswell aims to avoid assessing each manager on a short time horizon and manager reviews are more often triggered by concerns over structural or strategy changes (versus performance alone).

### ***Regular Reports***

Clients will be provided monthly statements, generated by the independent custodian (to the extent utilizing our selecting custodian), which will report account asset allocations, month-end NAV of the client's account, income and expense summaries for the relevant period and with respect to fixed income investments bond maturity qualities and maturity. In addition, clients will receive quarterly account performance statement, prepared by either Harpswell Advisors or a third party service provider retained by us, which will include, among other reporting that may be provided from time to time, a performance activity summary, an account allocation summary, a statement of quarterly transactions and quarter-end holdings, and an advisory fee detail showing the calculation of the management fee for the applicable quarter.

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## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

This item is not applicable. The firm has no relationship whereby it compensates any other person for client referrals. The firm also receives no compensation from any person that is not a client for providing investment advice to its clients.

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## **ITEM 15: CUSTODY**

The Firm is deemed to have custody as a result of using direct fee deduction; however, the Firm will rely on the safeguards contained in paragraphs 8A and 8B in complying with this section. Clients are urged to compare the statements received from the custodian to statements and documentation provided by the Firm. However we do not maintain physical custody of client assets, all of which will be held by a qualified custodian. In order to address potential conflicts arising from such authority to directly deduct fees, we provide quarterly reports to clients which include detail as to the calculation of fees for the applicable quarter. These statements are providing contemporaneously with, or promptly following, the invoicing of such fees to the account custodian for payment. Portfolio valuations used for billing may differ slightly from the custodian's quarter end statement due to unsettled trades, dividends and interest, and decimal place rounding of non-dollar denominated assets and fixed income pricing.

## ITEM 16: INVESTMENT DISCRETION

For discretionary relationships, Harpswell Advisors retains authority to determine, without obtaining specific client consent, the particular securities to be bought or sold; the amount of securities to be bought or sold; the broker dealer to be used; and the commission rates paid. For more information regarding broker dealer selection and commission rates, please see Item 12.

Harpswell Advisors assumes general supervision over placement of securities orders for the client portfolios it manages. While the primary criterion for all transactions in portfolio securities is the execution of orders at the most favorable net price, numerous additional factors may be considered when arranging for the purchase and sale of clients' portfolio securities. These include restrictions imposed by the federal securities laws. In most instances we expect that the grant of discretionary authority will not be subject to specific investment limitations, although the firm may agree to specific investment restrictions (such restricted securities, sectors or asset classes) on a case-by-case basis.

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## ITEM 17: VOTING CLIENT SECURITIES

### ***Proxy Votes***

Harpowell Advisors adopted a written proxy voting policy and related procedures designed to assure that client securities are voted (where applicable) in the best interests of the client and address material conflicts of interest that may arise between the investment adviser and its clients. It is the responsibility of all employees who are involved in portfolio management and/or the voting of client proxies to familiarize themselves with and adhere to Harpswell Advisors' proxy voting policy.

Any proxies received by the Company in connection with the client accounts will be reviewed by the head of operations. The head of operations, based on pre-determined proxy-voting procedures, votes the proxies. Any questions or discrepancies are discussed directly with the Managing Partner of Harpswell. If the head of operations and Managing Partner are not in agreement on the handling of the proxy, the Compliance Officer will be consulted. Harpswell Advisors may elect not to respond to proxy requests unless the requested vote presents a material issue with respect to the interests of Harpswell Advisors' client to which such proxy relates and such client's best interests would be served by a response from Harpswell Advisors. By the terms of such proxies, such non-response may result in a "Yes" vote to management recommendations. In most instances clients will not be offered the opportunity to direct the voting of any proxies received by the Company in connection with such client's account, however, in the event that the Chief Compliance Officer determines that a material conflict exists between the interests of Harpswell Advisors and that of the client, in such instance the applicable client will be given the opportunity to vote the proxy directly.

Clients may contact the Chief Compliance Officer, John Moore, via email at [jpm@harpowelladvisors.com](mailto:jpm@harpowelladvisors.com) for information on how the firm voted such client's proxies, and to request a copy of these policies and procedures. If a client requests this information the Compliance Officer will prepare a written response to the client that lists, with respect to each voted proxy that the client has inquired about (1) the name of the issuer; (2) the proposal voted upon; and (3) how the firm voted the client's proxy.

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## ITEM 18: FINANCIAL INFORMATION

Harpowell Advisors does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance, and thus is not required to include a balance sheet for the most recent fiscal year.

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## ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

A. Name: John P. Moore

### Educational Background and Business Experience

#### *Formal Education after High School:*

B.A., Hobart College (1989)

M.S. London School of Economics and Political Science (1991)

#### *Business Background:*

Harpowell Capital Advisors, LLC (2013 – Present)

Harpowell Capital Management, LLC (2006 – 2013)

The Vanguard Group (2003 – 2006)

Bryn Mawr Capital Management (1998 – 2003)

MetLife (1997 – 1998)

Federal Energy Regulatory Agency 1994 – 1998

B. John Moore is a Director of The Gelato Fiasco, 74 Maine Street, Brunswick, ME 04011. He provides advice on the firm's financial needs. His time commitment is approximately 1 hour per month.

C. NA

D. NA

E. NA

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# FIRM BROCHURE SUPPLEMENT (PART 2B OF FORM ADV)

HARPSWELL CAPITAL ADVISORS, LLC  
41 CAMPUS DRIVE, SUITE 203  
NEW GLOUCESTER, MAINE 04260  
(207) 926-1380  
[www.harpswelladvisors.com](http://www.harpswelladvisors.com)  
[info@harpswelladvisors.com](mailto:info@harpswelladvisors.com)

June 16, 2016

John P. Moore

This brochure supplement provides information about John P. Moore, a supervised person of Harpswell Capital Advisors, LLC ("Harpswell Advisors") that supplements the Harpswell Advisors brochure. You should have received a copy of that brochure. Please contact John Moore, if you did not receive the firm's brochure or you have any questions about the contents of this supplement.

Additional information about Harpswell Capital Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS**

John P. Moore (Year of Birth - 1966) – President of Harpswell Capital Advisors, LLC.

Mr. Moore (Jack) formed Harpswell Capital Advisors in 2013. He has over 20 years of investment management experience. Prior to founding Harpswell Advisors, Mr. Moore was the President and Chief Investment Officer of Harpswell Capital Management, LLC, an investment adviser focused on the energy and utility sectors which Jack formed in 2006 and managed until deciding to voluntarily wind down operations and return capital to investors in 2012. Prior to Harpswell Capital Management, Jack worked with The Vanguard Group from 2003 until 2006. Jack joined Vanguard as an Analyst in the Fixed Income Group covering both utilities and energy companies and became a principal in 2004. Prior to Vanguard, Jack worked with Bryn Mawr Capital, initially as a Utility Analyst and later in Portfolio Management, and with MetLife Securities, Inc. where he acted as an Analyst covering the utility sector.

Jack Moore earned a Bachelor of Arts degree from Hobart College 1989, a Master of Science degree from the London School of Economics and Political Science 1991, and is a Chartered Financial Analyst.

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## **ITEM 3: DISCIPLINARY INFORMATION**

No disciplinary events to disclose.

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## **ITEM 4: OTHER BUSINESS ACTIVITIES**

Jack does not engage in any other investment-related business or occupation. He does, however, serve on the Board of Directors for the United States Olympic Biathlon foundation, the Portland Museum of Art and is the Chair of the Board for the Good Will-Hinckley School in Hinckley Maine. Jack also serves on several investment committees, including the University of Maine System and the Portland Museum of Art.

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## **ITEM 5: ADDITIONAL COMPENSATION**

There are no arrangements in which someone other than a client gives the supervised person subject to this Brochure Supplement an economic benefit, such as a sales award or other prize for providing advisory services.

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## **ITEM 6: SUPERVISION**

Jack Moore is the President of Harpswell Advisers and as such has no immediate supervisor. All employees and supervised persons of Harpswell Advisers, including Mr. Moore, are subject to its Code of Ethics, pursuant to which such persons, including the supervised person, are obligated to report personal trading and other activities, events or conditions that may constitute a conflict of interest between his personal interests and those of Harpswell Advisers' clients. Harpswell Advisers believes that its policies, coupled with its compliance procedures and collaborative working environment, provide effective supervision over the activities of the supervised person that is the subject of this brochure supplement.

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## **ITEM 7: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

There is nothing to disclose.