

March 2020

Harbor Ithaka WM

Investment Adviser

CRD # 170580

This brochure provides information about the qualifications and business practices of Harbor Ithaka WM. If you have any questions about the contents of this brochure, please contact us at (305) 755-7600 or write to ncarabano@hbr-itk.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. The information in this Brochure has not been approved or verified by any state or federal securities authority.

Registration of an investment adviser does not imply any level of skill or training. The oral and written communications received from an adviser provide you with information about which to utilize in determining to hire or retain an investment adviser.

Additional information about Harbor Ithaka WM is also available on the SEC's website at www.adviserinfo.sec.gov.

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I. Material Changes

Harbor Ithaka has become advisor to two new private funds; Details can be found in our current marketing materials or requested by asking our representatives. Currently, our Brochure may be requested by contacting Norma Carabano at (305) 755-7600 or ncarabano@hbr-itk.com.

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



II. Advisory Business

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

- 1- Investment Management: The Advisor researches, develops and manages investment strategies in the following segments: a) short duration corporate credit and b) alternative, “real economy” focused strategies. These strategies are offered to accredited, qualified, professional and institutional investors in either in SMA (client specific “segregated account formats” managed in a discretionary manner) or private funds or pooled investment vehicles. The advisor may serve other advisors by managing predefined investment strategies in a sub-advisory capacity. Complementary to the advisors’ menu of managed investment strategies, it may seek out niche professional investment managers to sub-advise on specific mandates, including but not limited to, general hedging strategies.
- 2- Non-prescriptive investment analysis and consultancy work focusing on performance and risk analytics, in which the advisor will serve as a supervisory consultant to ultra-high net worth, family office, foundations and trust clients with extended sets of investment assets and more complex estates. Clients may opt up to receive investment advice in which the Advisor may direct client regarding general investment allocation strategy, tactics, and both evaluation as well as active advising regarding what it considers to be appropriate implementation (product and strategy selection) investment to implement a particular strategic exposure. In such cases, clients would be under General Non-Discretionary Investment Advisory work relationship.
- 3- Wealth Management: The Advisor designs and implements investment portfolios for ultra-net worth clients, on a discretionary or non-discretionary basis, according to the client's objectives. These portfolios may combine both advisor managed investment strategies as well as strategies managed by professional third parties.

Investment Approach

Most financial securities are, ultimately, claims on future streams of income: This seemingly obvious fact can serve to ground part of the advisor’s work. The advisor has a preference for asset classes and the sub-segments within asset classes that offer higher levels of visibility into the streams of cash flows to which they are claims on; That is to say it has a preference to invest where there is a lower level of uncertainty regarding the variability of the cash flows that are pledged to the security or asset. Furthermore, the advisor seeks to be disciplined and prudent as it accepts risks at market prices. The Advisor also has a preference for tactical opportunism, buying claims on assets and cash streams when heightened market volatility offers an increase in reward for the risk taking.



While most traditional investment portfolios seem focused on attempting to estimate the future prices of securities, and define “diversification” by aggregating asset classes based on historical correlations and forward looking price estimations, the advisor understands its work as aiming to understand and estimate value and risks to that value, defined as cash flows and the risks that may threaten the stability of the cash flows. The advisor has a preference for asset classes and asset class sub segments that provide a more direct access to the cash flows it values and less opportunity for volatility between the value of such cash flows and market price.

In a similar vein, the advisor takes the view that the key driver of risk and return is the real economy and is disconcerted by markets which seem more and more driven by non-fundamental factors, such as flows, yield scarcity and market relativism, and technical considerations to name a few. Therefore, as part of its work, it has identified a number of asset classes the advisor believes allow for the design and management of investment strategies that can offer attractive risk reward ratios.

Preferred investment Asset Classes and sub-segments

- Short maturity sovereign bonds, including US treasuries;
- Ultra-short maturity and high-quality corporate paper and debt;
- Short maturity corporate Credit debt, including investment grade, high yield and emerging market corporates;
- The asset backed direct lending segment within the so-called private credit market;
- Real Estate;
- Certain segments and strategies included in the “specialty finance” segment, including life-settlements;
- Certain segments and strategies included under the private market category, including private equity, “secondary” strategies, venture capital

Financial Investments and Portfolio Management

Analytical Framework: The goal of the chosen style of investment portfolio that the advisor will manage directly, is to achieve low volatility, low probability of loss, with mid to high liquidity characteristics.

To achieve this goal, the advisor will focus use and continue developing a research framework that can be summarized as follows:



Global Macro “Top-down” research

- a) Identifying key global macroeconomic trends and issues;
- b) Understanding the different and even opposing explanatory hypothesis given by the more recognized economists and global market commentators, trying to isolate the key mechanisms that are put forth as driving different trends;
- c) Distill key economic and financial indicators and follow their progress attempting to gauge the value or correctness of the many different explanatory hypotheses;
- d) Attempt to gauge the direction of those key macro trends, gauge whether or not different trends are fragile or robust, and if their underlying economic drivers are sustainable.

The objective of this first level of research is not predictive but rather to try to identify those markets segments that are traded and priced “to perfection,” meaning that relative to historical indicators of value, their current pricing allows for very little negative news, thus suggesting a larger potential negative outcome relative to a limited up-side.

“Fundamental” or “bottom-up” security centered analytical work

- a) Review and sort out those companies with the healthiest and/or improving balance sheets;
- b) Confirm there are sufficient managerial and firm wide operating qualities that can suggest optimal execution, continued balance sheet improvement and high survivorship probability even in situations of high market, or industry distress.

At this stage, the goal is to ascertain which companies can best be relied upon to provide the steady streams of income, on which the different securities making up its capital structure have claims on: Companies with healthy and improving operations as evidenced by continued progress of their balance sheets and which plow robust economic trends, are considered the main candidates on which to build portfolio construction.

For example, the combination of doing macro research with a de-risking mentality and fundamental balance sheet analysis including stressing of economic scenarios on company cash flows, can be applied to discover corporates debt issuers that are less exposed to serious income impediments; buying their shorter term debt in times of market volatility is a form of opportunistic value informed buying.



Application of various Valuation Models

The application of different valuation models to different asset markets and determine whether or not and to what extent different financial assets are cheap or expensive from a historical perspective.

Market Structure

A final level of research will focus on trying to grasp the prevalent structure of buyers and sellers and the incentives these agents are reacting to, that are prevalent in asset markets at any time: That is to say, understanding the “who” and “whys” of buyers and sellers transacting in a particular market place:

- a- Analysis of the many forces such as monetary, fiscal, political, regulatory and technological that may be affecting the actions of buyers and sellers;
- b- Attempt to appreciate what are the prevailing explanatory interpretations, “world views” and shared expectations of market participants, and how these affect market dynamics, valuation, etc.

The purpose of combining the four types of analytical work described immediately above is to try to discard and move away from potential sources of downside volatility, while simultaneously identifying those assets and the price levels at which certain assets would be attractive from a historically informed and value driven perspective.

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

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

As opposed to typical saver who is usually guided by long or medium term retirement objectives and other life-cycle planning concerns and depend on few and relatively uncomplicated sources of income, high net worth and ultra-high net worth families who own and focus their day to day lives in managing their operating businesses and/or have sizable estates, face both a different opportunity set as well as a different risk management problem.

Not only do many of such wealthy estates tend to be characterized by large non-public (privately controlled) equity concentrations in their own businesses, they also tend to have a significant concentration in real assets bearing varying degrees of illiquidity.



Additionally, the ownership costs of many such assets tend to be significant and are at risk of turning from income (profit) producing assets into loss generating concerns during economic downturns or competitive industry disruptions, which the owners will need to defend with capital for indeterminate lengths of time. Understanding the diversification of the underlying economic risks embedded in these types of assets should be a paramount consideration for proper wealth management and implicitly entail significant adaptations of how the portfolio of financial investments for such families and their estates should be thought about.

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

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

Therefore, the first consideration when constructing a portfolio for an entrepreneurial family should not be some formulaic optimization calculation to maximize supposed risk return ratios in a portfolio of financial investments, but rather, because the drive of the portfolio of financial assets should be support, consistency and balancing of risks expressed throughout the investors “whole balance sheet”, the portfolio design should focus on controlling the potential for loss of principal while maximizing liquidity.

Ample liquidity and non-correlation between the portfolio of financial investments and other non-liquid and operational assets that make up the investors balance sheet, can for example, afford the owners the power to act aggressively and opportunistically when



economic cycles offer them the opportunity to purchase distressed competitors or strategic business assets, or by having access to liquid and stable financial assets, be able to defend their non-financial assets as they encounter economic distress.

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

Additional Considerations

The advisor may use exchange listed securities, over-the-counter securities, foreign securities, corporate or sovereign debt securities, CDs, mutual funds, hedge funds, options in securities and commodities, and futures on tangibles to accomplish this objective. The advisor may invest in Mutual Funds or Hedge Funds when it is more economic or practical to build a portfolio in this fashion. This may be due to the costs of building a portfolio in non-OECD¹ local markets; the difficulties of gaining exposure to a sector/country for the size of investment contemplated, or due to superior expertise in picking securities in specific sub-sectors by mutual fund specialists. The advisor may invest in Closed End Funds, in particular when those trade at a significant discount to the net value of their underlying assets. The advisor may invest in Hedge Funds, to the extent that it believes that a particular Hedge Fund offers a superior advantage to what could be done by the advisor both in terms of absolute return and risk control via strategy diversification.

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

Additional Information: Harbor Ithaka WM will provide investment advisory services and portfolio management services but will not provide securities custody. The firm may also provide additional consulting and administrative services for certain clients.

At no time will Harbor Ithaka WM accept or maintain custody of client's securities. Exceptionally, Harbor Ithaka WM may have authority over a client's bank account, only to facilitate the payment of fees and other advisory related expenses, according to the Investment Advisory Agreement.

¹ OECD stands for Organization for Economic Cooperation and Development, an international economic organization of 34 countries founded in 1961 to stimulate economic progress and world trade. It is a forum of countries committed to democracy and the market economy, providing a platform to compare policy experiences, seek answers to common problems, identify good practices and co-ordinate domestic and international policies of its members.



Harbor Ithaka WM may also issue periodical reports and investment newsletters. These newsletters may be provided as a service to its client or for a monthly subscription fee to others (non-advisory clients).

Harbor Ithaka WM conducts educational seminars on financial markets, and global macroeconomic issues and other relevant subjects. Attendance to seminars is restricted to existing clients (at no cost), prospective clients, and professional investors and, in some cases, to the general public.

Harbor Ithaka WM provides advisory services to 26 clients and has approximately \$129,505, 935 in assets under management as of December 31, 2019.

Harbor Ithaka WM, LLC is a Florida limited liability corporation. The sole shareholder of Harbor Ithaka WM, LLC is:

HARBOR FINANCIAL HOLDINGS, LLC (100%)

The sole shareholder of Harbor Financial Holdings is:

RAFAEL ALCANTARA-LANSBERG (100%)

Managing Team

Rafael A. Alcantara-Lansberg

Mr. Alcantara-Lansberg serves as Director and Chief Economist of the Firm.

Rafael Alcantara-Lansberg's academic background is in philosophy, politics, and economics and has worked in the financial industry in various capacities since 1997. He is the sole founder of Harbor Ithaka WM, a company which succeeds Mr. Alcantara-Lansberg former company, New Market Analytics Inc., a global market research and consulting firm he founded in Venezuela and Panama in 2004 and 2006 respectively.

Throughout most of his career Mr. Alcantara-Lansberg has been working in the financial industry in Caracas, Venezuela. He held many jobs in the financial industry there, including posts as global equity and fixed income trader, head of international EM arbitrage operations for one of the largest brokerage firms in Venezuela until 2003 when he left to work on his self-guided portfolio theory studies and then start his global macro research outfit. Mr. Alcantara-Lansberg has been frequently interviewed by the local Venezuelan radio, press and dominant TV news outlet "Globovisión" for his opinions on global financial and economic events. From April 2007 to February of 2010 he anchored the international economics segment of the weekly radio show "Brújula Internacional" where by late 2007 he had become known as a notable market bear. In early 2009 he was invited by the Economics dept. of the Universidad de Carabobo (FAGES) to give a



talk on the Global Financial Crisis. In late 2010, Mr. Alcantara-Lansberg left Venezuela to work as a Macro-Economist for a group of US based brokers. Now feeling more established in the South Florida community, he seeks to expand his global market research and consulting work as well as engage more directly in portfolio managing work for clients of a particular type with his Harbor Ithaka WM. Since 2013, Mr. Alcantara-Lansberg has participated as a guest speaker at a number of different US and international investment and wealth management related conferences, including Marcus Evans Wealth Management Summits in both Panama and the US, Banco Nacional de Costa Rica Year end institutional client presentations, NY Business Group Private Wealth forums in Madrid and Dallas, among a number of other engagements to speak about various topics related to investments.

Javier A. Loreto

Javier A. Loreto's academic background includes studies in Marketing and International Business at the George Washington University in Washington DC, from 2003 to 2007. He is currently pursuing an MBA degree with a specialization in financial instruments from NYU Stern.

Mr. Loreto has worked in the financial industry in various capacities since 2007. Currently, he is Harbor Ithaka's Senior Portfolio Manager in charge of creating fixed income strategies for private client and providing intuitional services for Latin America financial institutions.

Mr. Loreto previously held the Series 66 and Series 7 securities licenses.

Mr. Loreto started his financial career in New York City in 2007. He started as an analyst in Smith Barney, where he worked for two years. He then moved to Deutsche Bank as an associate before moving to Miami to pursue an opportunity with Bolton Global Capital, where he worked along Mr. Alcantara-Lansberg the founder of Harbor Ithaka WM LLC.

Mr. Loreto has worked closely with the firm's co-founder Rafael Alcantara-Lansberg for the past three years and together they aim to continue to focus on development of a particular investment philosophy at its derivative market research and investment management applications.

Carlos A. Machado

Carlos A. Machado's academic background includes studies in Business and Administration with a focus on finance at the Strayer University in Miami, Florida, and holds the Series 65. Mr. Machado also has a Private Wealth Management Certificate from Wharton University which provided him technical knowledge in key investment and financial performance tools, such as manager evaluation, asset allocation, and a holistic view of a family's assets beyond just the financial or investment side.



Carlos Machado started working in the financial industry in 2003. During that time, he has had different responsibilities and has been involved in very different projects and many areas (Sales, Research, Trading), which gives him a robust skill regarding global investment markets and a comprehensive understanding of the wealth management industry.

Mr. Machado is collaborating as a Portfolio and Risk Analytics Director in the development of a cutting edge investment management solution intended for institutional investors. The purpose of this service is to aid professionals with money management responsibilities at different institutions and family offices in their decision-making process, prioritizing and sorting out relevant economic outlooks and opinions as well as divergent financial and economic data from that which is irrelevant given their objectives.

Miguel Garcia Cardona

Mr. Garcia Cardona holds a Bachelor's Degree in Business, Management and International Relations from Oxford Brookes University, UK (2002-2008). He also has studied courses towards a Masters Degree in Financial Markets, Stock Exchanges & Finance from the Instituto de Estudios Bursatiles (IEB) of Madrid, Spain (2009-2010).

More recently, Mr. Garcia Cardona has participated in Stand Out Program in Madrid teaching Finance for Entrepreneurs.

Mr. Garcia Cardona has been working alongside the Harbor Ithaka investment management team since his work as a chief of fundamental analysis at research firm New Market Analytics in Caracas, Venezuela. New Market Analytics was a global markets research and investment management firm founded by Mr. Alcántara-Lansberg back in 2006. Mr. García Cardona is a director of the firm.

Sub-Adviser

Harbor Ithaka WM LLC has contracted with Glide Fund SPC Ltd to be a segregated portfolio advisor for a number of segregated portfolios created under their master fund.

Harbor Ithaka WM LLC serves as investment manager for the ABERSAND SICAV HARBOR ITHAKA SHORT DURATION (UCITS), a short duration corporate credit fund registered in Luxembourg.

Harbor Ithaka WM LLC serves as investment manager for the Harbor Ithaka Funds SCA SICAV RAIF Fund 1-TCD, as short duration high yield corporate credit fund registered in Luxembourg.



III. Fees and Compensation

Asset Management Fees

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

The fees charged to each client are a function of the investment strategy chosen, the size of the client's general portfolio, and whether the client is considered a professional client, defined as possessing a high-level training and knowledge of investments, or a non-professional client, who regardless of size, may be considered a non-professionally trained investor. Fees range from 0.45% to 2% per annum (payable on a quarterly, or monthly basis calculated as 1/12 of the agreed upon percentage fee multiplied by the Net Asset Value of each account).

Under certain circumstances, and at the sole discretion of the advisor, negotiated fees may differ from what is stated above.

Harbor Ithaka WM may charge clients a minimum fee of \$30,000 per year.

Harbor Ithaka WM may also provide Estate Valuation and Supervisory Consulting Services. These consulting services will be offered solely to accredited investors with estates valued at over \$25,000,000.

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

Certain consulting services may be billed at an hourly rate, at the request of the client. An Hourly Fee Schedule will be provided to the client prior to the engagement. The standard Hourly Fee is \$250.00 /hr.

Harbor Ithaka WM may also issue periodical reports and investment newsletters. These newsletters may be provided as a service to its client or for a monthly subscription fee to others (non-advisory clients). The Monthly Subscription Fee will be determined at a later date and will be notified to the Client / Subscriber with a Monthly Subscription Agreement.



Harbor Ithaka WM also provides Portfolio Management Services to affiliated or unaffiliated Private Funds or Hedge Funds. The fees charged to each Fund are a function of the type of portfolio. These fees may range from 0.20% to 1.5% per annum (payable on a quarterly basis, calculated as 1/12 of the percentage fee multiplied by the Net Asset Value of each Fund). Performance based fees may be applied to such private funds. Asset management fees are paid by the custodian as directed by the independent Administrator of the Funds. These fees may be negotiated by the advisor under unusual circumstances, at the sole discretion of the advisor.

All fees paid to the Firm for investment advisory services are separate and distinct from the expenses charged by any third-party Mutual or Hedge Funds in the portfolio, the administrator, custodian, auditor, etc. As described in the investment management agreements of the Funds managed by the advisor, these fees and expenses are paid directly by the Fund. These fees may include a management fee, other Fund expenses, and a possible distribution or performance fee.

The firm may choose to recommend and invest its advisory clients in affiliated or unaffiliated Private Funds or Hedge Funds. As per the investment management contracts that the Firm signs with its clients, any investment management or advisory fees paid to the FIRM by such funds that are above the “maximum fees” charged per each specific strategy as detailed in the investment management contract, will be credited back to the advisory clients.



IV. Performance-Based Fees and Side-By-Side Management

Performance Fees

Qualified clients, as defined by Rule 205-3 of the Investment Adviser's Act, may enter into advisory agreements where the Firm is entitled to a performance fee as part or all of its compensation. Qualified investors must meet the following requirements: (a) have at least \$1,000,000 in assets under management with the adviser; or (b) have a net worth of at least \$2,100,000 in investable assets, in order to enter into performance based compensation agreements with Harbor Ithaka WM. Suitability will be determined through the use of a detailed suitability questionnaire and follow up due diligence inquiries. The Firm at its sole discretion, may reject any client application where the above financial standards are not met and/or where it reasonably believes the investor lacks the necessary financial sophistication, who purport to not fully understand the Firm's method of compensation and the nature of its risks, or who are otherwise deemed to be unsuitable for such an arrangement.

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

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



V. Types of Clients

Harbor Ithaka WM provides advice to High Net-Worth Individuals, Family and Multi-Family Offices as well as Corporate and banking Clients. The firm is expanding its services to other Institutional Clients, including Pooled Investment Vehicles, and Private Funds.

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

Harbor Ithaka WM cumulative minimum account is \$5,000,000.00, however, based on various facts and circumstances, the advisor may, at its sole discretion, accept accounts of lower value. Minimum account yearly fees may apply.



VI. Methods of Analysis, Investment Strategies and Risk of Loss

The advisor's main approach is to use three levels of analysis: a) at a general level, top-down macroeconomic analysis, to determine general economic conditions and potential macroeconomic risks or opportunities worldwide and how these might affect a specific economic industry or sector; b) at a security level, fundamental and financial analysis to determine the attractiveness of a particular security; and c) to a lesser extent, for the execution of investment decisions, technical analysis to determine the timing of purchases or sales of selected securities.

The advisor thinks that the best approach to attain consistent long-term returns is to diversify risk and carefully select each investment using objective criteria with a view to protect downside risk as much as seeking upside rewards. The advisor may use exchange listed securities, over-the-counter securities, foreign securities, corporate or sovereign debt securities, CDs, mutual funds, hedge funds, options in securities and commodities, and futures on tangibles to accomplish this objective. The advisor may invest in Mutual Funds, Hedge Funds or funds of funds type investments when it is more economic or practical to build a portfolio in this fashion. This may be due to the costs of building a portfolio in non-OECD local markets; the difficulties of gaining exposure to a sector/country for the size of investment contemplated, or due to superior expertise in picking securities in specific sub-sectors by mutual fund specialists. The advisor may invest in Closed End Funds, in particular when those trade at a significant discount to the net value of their underlying assets. The advisor may invest in Hedge Funds and other so called Alternative investments, to the extent that it believes that a particular Fund type offers a superior advantage to what could be done by the advisor both in terms of absolute return and risk control via strategy diversification. The Advisor may invest in both public as well as private type markets, including but not limited to, private equity, private credit, private real estate deals, or specifically structured investment notes, all of which may be less liquid and at times, harder to price, than in more traditional markets of publicly traded securities.

The advisor may reduce risk exposure and carry significant levels of cash or short maturity US treasuries notes and bond positions as a possible hedge against market movement which may adversely affect the portfolio. The advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio. The advisor may sell securities short, sell against the box, covered call writing, naked put writing and/or other strategies to reduce risk and/or improve performance. The advisor may eventually manage different affiliated Funds, each with a distinctive risk profile and objectives. Each prospective investor in the Funds should evaluate the risk of each vehicle, the investment restrictions of their respective mandates, and the consistency between the Funds' and



the investors' objectives and risk tolerance. Disclosure and transparency for our qualified clients, who invest in these funds, will be of our highest concern.

There is a substantial risk of loss in trading in securities and other financial instruments, including any affiliated Funds managed by the advisor. Past results are no guarantee of future performance. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Trading in futures and options is not suitable for many members of the public.



VII. Disciplinary Information

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

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

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



VIII. Other Financial Industry Activities and Affiliations

Harbor LIS, LLC is a Florida Limited Liability Corportaion that holds Insurance Licenses and is appointed by varios Insurance Carriers.

NMA Mercado de Capitales, C.A. is a Venezuelan entity whose sole remaining purpose is so that the firm can benefit from certain software and market research software which are under preferred legacy pricing. Mr. Alcantara-Lansberg owns NMA Mercado de Capitales, C.A.

Clout Capital II General Partners Ltd., is the general partner for Clout Capital Latam Tech Fund LP. Both entities are Cayman Island based entities. The Clout Capital Latam Tech Fund LP is a technology oriented Venture capital fund.



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

Harbor Ithaka WM has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Harbor Ithaka WM deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Harbor Ithaka WM are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates. Harbor Ithaka WM collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest. Harbor Ithaka WM maintains a code of ethics and they will provide a copy to any client or prospective client upon request.

Harbor Ithaka WM and/or its investment advisory representatives may from time to time purchase or sell products that they may recommend to clients.

The Firm prohibits itself and its associated persons from benefiting from the short-term market effects of transactions for clients. The Firm gives preference to clients trading over it. The Compliance Officer reviews all transactions executed by the Firm daily, and conducts an additional review of all securities transactions by officers and employees quarterly.



X. Brokerage Practices

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

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

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

The Firm may engage in "soft-dollar" arrangements whereby a portion of the commission that would be paid to the broker executing a particular order is credited towards payment of third-party research services. While this may result in the client paying higher



commissions than those obtainable through other brokers or arrangements, the advisor thinks the clients will ultimately benefit from access to research services that would not be otherwise available or affordable. Although the Firm does not have any soft-dollar arrangements currently in place, it may do so in the future.

Harbor Ithaka WM never discloses the nonpublic personal information about its clients to anyone except to those persons necessary to effect the transactions and provide the services that the clients require (such as broker-dealers, custodians, etc.) or as otherwise provided by law.

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



XI. Review of Accounts

Accounts are monitored on an ongoing basis. The factors that may change allocations would be: changes in economic conditions, changes in the fundamentals of the securities in the accounts, or technical factors. Re-balancing of assets may be also performed to comply with each client's investment instructions and profile. The Advisor produces a written client report, using information supplied directly by the custodian (s), at least once a year or at the request of the client.



XII. Client Referrals and Other Compensation

Harbor Ithaka WM uses solicitors' agreements in order to compensate for client referrals. At this time, the firm maintains six solicitor agreements in place.



XIII. Custody

The Firm provides investment advisory services and portfolio management services and does not under any circumstance provide securities custody. The firm relies on other financial institutions to provide custody and brokerage services that the firm uses in order to perform its investment management and discretionary advisory duties to its clients. Firm may have authority over bank accounts in name of a client, in order to facilitate the payment of fees or other administrative expenses related to the advice provided to the client.



XIV. Investment Discretion

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



XV. Voting Client Securities

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

Clients may obtain a copy of our Proxy Voting Policies and Procedures by contacting us at ncarabano@hbr-itk.com.



XVI. Financial Information

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