

Registered As: Haron Capital Management, LLC

# HCM

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## **Form ADV Part 2A – Firm Disclosure Brochure**

**Effective: April 23, 2021**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Haron Capital Management, LLC (“the firm”). If you have any questions about the contents of this Disclosure Brochure, please contact Haron Capital Management at (646) 965-6700 or by email at [joshua.haron@haroncapitalmanagement.com](mailto:joshua.haron@haroncapitalmanagement.com). The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about the firm to assist you in determining whether to retain the firm. Additional information about Haron Capital Management, LLC and its the firm Persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD number 298059.

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**Item 2 – Material Changes**

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Annually, a complete Disclosure Brochure will be offered to clients along with a summary of material changes, if any, within 120 days from the firm's fiscal year-end.

At any time, the current Disclosure Brochure is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching the firm name or CRD number 298059. A copy of this Disclosure Brochure may be requested at any time, by contacting (646) 965-6700 or by email at [joshua.haron@haroncapitalmanagement.com](mailto:joshua.haron@haroncapitalmanagement.com).

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## **Item 4 – Advisory Business**

### **Firm Information**

Haron Capital Management, LLC (hereinafter “HCM”) is a Limited Liability Company organized in the State of New York. The firm was formed in July 2018, the principal and sole owner is Joshua Victor Haron. The firm manages portfolios based on a value oriented<sup>1</sup> approach as well as taking advantage of volatility and market by investing in quality individual dividend paying equities and exchange traded funds (ETFs). This disclosure brochure provides information regarding the qualifications, business practices and details of the advisory services provided by the firm and the applicable fees.

### **Executive Management Team**

#### **Joshua V. Haron**

Mr. Haron serves as the managing member, chief compliance officer and investment advisor representative. He is responsible for the day-to-day operations, managing client assets and maintaining the regulatory compliance structure. Mr. Haron has over Thirty (30) years of investment experience, is a graduate of Vassar College and the founder of Haron Capital Management, LLC.

### **Advisory Services Offered**

Services are provided primarily to high net worth individuals pension funds and endowments by providing regular and continuous management and supervision of assets. Assets are managed with a focus on investment goals, objectives, risk tolerance. Investment portfolios consist primarily of exchange-traded funds (“ETFs”) and individual equities as well as mutual fund positions.

At no time will the firm accept or maintain custody of funds or securities. All client assets will be managed within the designated brokerage account[s] held at the qualified custodian, pursuant to the terms of the account opening documents.

### **Client Account Management**

Prior to an engagement each client is required to enter into an agreement that defines the terms, conditions, and fees. Clients are also required to establish a custodial brokerage account.

### **Assets Under Management**

Assets under management shall be amended following the firm’s December 31 fiscal year. Clients may request more current information at any time by contacting the firm.

<b>Assets under Management (04/23/2021)</b>	
Discretionary	\$30,956,049
Non-Discretionary	\$0.00
<b>Total</b>	<b>\$29,956,049</b>

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<sup>1</sup> Value investing is an investment philosophy that involves buying securities that are at a discount to net asset value.

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## **Item 5 – Fees and Compensation**

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### **Fees for Advisory Services**

#### **Investment Management Services**

Qualified investors generally pay an annual performance fee of 20.00% based on capital appreciation. If the client's portfolio rises in value, the client will pay 20.00% of that increase in value, but if the portfolio drops in value, the client will not incur a fee until the portfolio exceeds the last highest value, adjusted for withdrawals and deposits, which is generally known as a “high water mark.” The high-water mark will be the highest value over the prior 99 quarter period.

The investment advisory fee in the first period of service is prorated from the inception date of the account[s] to the end of the first month or quarter depending on the fee schedule agreement.

- The firm will not have the authority or responsibility to value portfolio securities.
- If a client terminates an engagement prior to the billing period, a pro-rated fee calculation will be applied prior to releasing the funds.
- Asset management fees are exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses charges by the custodian that are disclosed during the account opening process.

As an accommodation, HCM will consider a negotiable asset management fee up to 1% on a limited basis for certain clients.

### **Mutual Fund Share Class Disclosures**

Certain mutual fund share classes charge a 12b-1 fee that generally amounts to an additional .25% expense ratio or more. The purpose of 12b-1 fees, as approved by the SEC, are to cover marketing expenses and shareholder support services and administrative costs incurred by the custodian. When managing a mutual fund portfolio, investment advisor representatives have a fiduciary duty to select the share class that helps manage the overall fee structure of the account.

HCM generally does not recommend or purchase additional mutual fund shares but will maintain legacy positions until such time as a sale is appropriate based on market conditions and tax considerations.

### **Fee Billing**

#### **Investment Management Services**

Investment advisory fees are calculated by the custodian and paid quarterly. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting the deduction of fees. Client's should verify the accuracy of such statements.

## **Other Fees and Expenses**

Clients incur certain fees or charges imposed by third parties, other than HCM, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian and executing broker/dealer. The fees charged by the firm are separate and distinct from these custodial and execution fees.

In addition, all fees paid to the firm for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee.

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## **Item 6 – Performance-Based Fees and Side-By-Side Management**

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The firm charges performance-based fees for its investment advisory services as described in “Item 5 – Fees and Compensation” based upon the capital appreciation subject to a 99 quarter high-water mark.

The firm does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to may recommend or implement any particular investment options to its Clients.

The firm does not participate in side-by-side management.

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## **Item 7 – Types of Clients**

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The firm offers investment advisory services primarily to high net worth individuals, endowments and retirement plans. The number of each type of Client is provided on Form ADV Part 1A. These amounts change over time and are updated at least annually.

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

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### **Methods of Analysis**

The firm primarily employs a combination of behavioral, charting, cyclical, fundamental and technical method of analysis in developing investment strategies. Research and analysis from the firm is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

- **Behavioral Analysis**

Behavioral analysis involves an examination of conventional economics as well as behavioral and cognitive psychological factors. Behavioral analysis seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause

some people to behave against their best interests. The risks relating to behavior analysis are that it relies on spotting trends in human behavior that may not predict future trends.

- **Charting Analysis**

Charting analysis utilizes various market indicators as investment selection criteria. These criteria are generally pricing trends that may indicate movement in the markets. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the technical and charting analysis may lose value and may have negative investment performance. The firm monitors these market indicators to determine if adjustments to strategic allocations are appropriate.

- **Cyclical Analysis**

Cyclical analysis is like technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the company. The risks with cyclical analysis are like those of technical analysis.

- **Fundamental Analysis**

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria consist generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The firm monitors these economic indicators to determine if adjustments to strategic allocations are appropriate.

- **Technical Analysis**

Technical analysis is a trading discipline employed to evaluate investments and identify trading opportunities by analyzing statistical trends gathered from trading activity, such as price movement and volume. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that the firm will be able to accurately predict such a reoccurrence.

The firm buys and sells positions that are often short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class for portfolio management purposes.

## **Investment Focus**

### **Individual Stock Selection**

HCM places an emphasis on companies with an ongoing history of consecutive dividend increases, good fundamentals and solid balance sheets. HCM looks for companies that have increased shareholder equity over time. There are typically 200 to 300 stocks that have a track record of at least 10 years consecutive dividend increases. Of those issues HCM tends to find 20 to 30 common stocks that are the basis of a solid portfolio.

### **Exchange Traded Funds**

HCM identifies Exchange Trade Funds (ETFs) in equities, fixed income, emerging markets, and specific sectors that the firm believes represents compelling value and offers good investment opportunity.

### **Risk of Loss**

Investing in securities involves the risk of loss. Securities will fluctuate and the entire loss of the principal amount invested is a possibility. Clients should be prepared to bear the risk of loss. The firm will assist Clients in determining an appropriate strategy based on their tolerance for risk; however, there is no guarantee that a Client will meet their investment goals or avoid loss.

While the methods of analysis help the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value and not lose value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The firm monitors these economic indicators to determine if adjustments to strategic allocations are appropriate.

The specific risks associated with an investment strategy are provided to each Client in advance of investing. The firm will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Below is a list of minimum risks that should be considered prior to investing that can apply. Additional unforeseen risks can apply and affect investment performance.

- **Business Risk** – The measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. All businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Call Risk** – The risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.
- **Company Specific Risk** – An unsystemic risk specific to a certain company's operations, executive decisions and reputation which is difficult to quantify



- **Complex Products** – Complex Products are complicated instruments that should only be used by sophisticated investors who fully understand the terms, investment strategy and risks associated with the funds. In particular, clients should be aware of certain specific risks involved in trading Complex Products. These risks include, but are not limited to:
  - **Use of Leverage and/or Derivative Instruments:** Many leveraged and inverse funds as well as volatility-linked products use leverage and derivative instruments, such as futures and options contracts, to achieve their stated investment objectives. As such, they can be extremely volatile and carry a high risk of substantial losses. Complex Products are considered speculative investments and should only be used by investors who fully understand the risks and are willing and able to absorb potentially significant losses.
  - **Seek Daily Target Returns:** Most Complex Products "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, the return for investors who invest for a period longer than one trading day may vary significantly from the stated goal as well as the target benchmark's performance. This is especially true in very volatile markets or if a Complex Product is tracking a very volatile underlying index. Investments in any Complex Product must be actively monitored on a daily basis and are typically not appropriate for a buy-and-hold strategy.
  - **Higher Operating Expenses and Fees:** Investors should be aware that these Complex Products typically rebalance their portfolios on a frequent basis, often daily, in order to compensate for anticipated changes in overall market conditions. For example, volatility-linked ETPs will rebalance their exposure to futures of different maturities to maintain the targeted maturity. This rebalancing can result in frequent trading and increased portfolio turnover. These Complex Products will therefore generally have higher operating expenses and investment management fees than other funds or products.
  - **Tax Treatment May Vary:** In many cases, Complex Products may generate their returns through the use of derivative instruments. Because derivatives are taxed differently from equity or fixed-income securities, investors should be aware that these Complex Products may not have the same tax efficiencies as other funds or products.
- **Concentration Risk** – Concentrated portfolios are an aggressive and highly volatile approach to trading and investing and should be viewed as complementary to a stable, highly predictable investment approach. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding in the portfolio is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.
- **Credit Risk** – The risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Currency/Exchange Rate Risk** – The risk of a change in the price of one currency against another.

- **Force Majeure** – A natural and unavoidable catastrophe that interrupts the expected course of events, market structure and access to funds.
- **Interest Rate Risk** – The risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Inflationary Risk** – The risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Inverse Funds** – Inverse mutual funds and ETFs, which are sometimes referred to as "short" funds, seek to provide the opposite of the single day performance of the index or benchmark they track. Inverse funds are often marketed as a way to profit from, or hedge exposure to, downward moving markets. Some inverse funds also use leverage, such that they seek to achieve a return that is a multiple of the opposite performance of the underlying index or benchmark (i.e., -200%, -300%). In addition to leverage, these funds may also use derivative instruments to accomplish their objectives. As such, inverse funds are volatile and provide the potential for significant losses.
- **Legislative Risk** – The risk of a legislative ruling resulting in adverse consequences.
- **Leveraged Funds** – As the name implies, leveraged mutual funds and ETFs seek to provide leveraged returns at multiples of the underlying benchmark or index they track. Leveraged funds generally seek to provide a multiple (i.e., 200%, 300%) of the daily return of an index or other benchmark for a single day excluding fees and other expenses. In addition to using leverage, these funds often use derivative products such as swaps, options, and futures contracts to accomplish their objectives. The use of leverage as well as derivative instruments can cause leveraged funds to be more volatile and subject to extreme price movements.
- **Liquidity Risk** – The possibility that an investor may not be able to buy or sell an investment as and when desired or in enough quantities because opportunities are limited.
- **Market Risk** – The risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or industries. This is a risk that will affect all securities in the same manner caused by some factor that cannot be controlled by diversification.
- **Pandemic Risk** – Large-scale outbreaks of infectious disease that can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Reinvestment Risk** – The risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political Risk** – The possibility of nationalization, unfavorable government action or social

changes resulting in a loss of value.

- **Taxability Risk** – The risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Terrorism Risk** – An act of terror or calculated use of violence against the country, market structure or individuals.
- **Volatility-Linked Products** – Volatility-linked ETPs are generally designed to track the Chicago Board Options Exchange Volatility Index (VIX) futures. The VIX is a measure of the expected volatility of the S&P 500 index as measured by the implied volatility of options on that index. Volatility ETPs gain exposure to market volatility through futures and/or options contracts on the VIX. Volatility-linked ETPs that seek to maintain a continuous, targeted maturity exposure to VIX futures will either track or hold VIX futures contracts on a rolling basis. They will sell shorter-term contracts or contracts about to expire with contracts that have more distant or deferred maturity dates in order to maintain the desired exposure. The performance of volatility-linked ETPs may be significantly different than the performance of the VIX and the actual realized volatility of the S&P 500 Index. VIX futures contracts are among the most volatile segments of all futures markets. Volatility-linked ETPs may be subject to extreme volatility and greater risk of loss than other traditional ETFs.

The firms' methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations.

#### **Types of Investments (Examples, not limitations)**

Investment advisor representatives of the firm allocate a client's assets as appropriate to help them reach their individual investment objectives within their time horizon in a manner consistent with their risk profile. Client funds are allocated appropriately in such investments as listed below:

- **Exchange Traded Funds (ETFs)** – An ETF is a portfolio of securities invested to track a market index like an index mutual fund, but the shares are traded on an exchange like an equity. An ETF share price fluctuates intraday depending on market conditions instead of having a net asset value (NAV) that is calculated once at the end of the day. The shares may trade at a premium or discount; and as a result, investors pay when purchasing shares and receive more or less than when selling shares. The supply of ETF shares is regulated through a mechanism known as creation and redemption that involves large specialized investors, known as authorized participants (APs). Authorized participants are large financial institutions with a high degree of buying power, such as market makers, banks or investment companies that provide market liquidity. When there is a shortage of shares in the market, the authorized participant creates more (creation). Conversely, the authorized participant will reduce shares in circulation (redemption) when supply falls short of demand. Multiple authorized participants help improve the liquidity of a particular ETF and stabilize the share price. To the extent that authorized participants cannot or are otherwise unwilling to engage in creation and redemption transactions, shares

of an ETF tend to trade at a significant discount or premium and may face trading halts and delisting from the exchange.

The performance of ETFs is subject to market risk, including the complete loss of principal. ETFs also have a trading risk based on cost inefficiency if the ETFs are actively traded and a liquidity risk if the ETFs has a large price spread and low trading volume. In addition, investors buying or selling shares in the secondary market pay brokerage commissions, which is a cost not incurred by mutual funds. Like mutual funds, shares of an ETF represent a partial ownership of an underlying portfolio of securities.

- **Leveraged ETFs** - A leveraged ETF is a marketable security that uses financial derivatives and debt to amplify the returns of an underlying index. While a traditional ETF typically tracks the securities in its underlying index on a one-to-one basis, a leveraged ETF may aim for a 2:1 or 3:1 ratio. Leveraged ETFs are available for most indexes, such as the Nasdaq 100 and the Dow Jones Industrial Average (DJIA). Leveraged ETFs have higher fees and will not obtain their objective to multiple index returns over the long-term because of compound interest and sequence of returns.
- **Inverse ETFs** - An inverse EFT seeks to deliver inverse returns of underlying indexes. To achieve their investment results, inverse ETFs generally use derivative securities, such as swap agreements, forwards, futures contracts and options. Inverse ETFs are designed for speculative traders and investors seeking tactical day trades against their respective underlying indexes. Inverse ETFs only seek investment results that are the inverse of their benchmarks' performances for one day only. Inverse ETFs carry many risks and are not suitable for risk-adverse investors. This type of ETF is best suited for sophisticated, highly risk-tolerant investors who are comfortable with taking on the risks inherent to inverse ETFs. The principal risks associated with investing in inverse ETFs include compounding risk, derivative securities risk, correlation risk and short sale exposure risk. Compounding risk is one of the main types of risks affecting inverse ETFs. Inverse ETFs held for periods longer than one day are affected by compounding returns. Since an inverse ETF has a single-day investment objective of providing investment results that are one times the inverse of its underlying index, the fund's performance likely differs from its investment objective for periods greater than one day. Investors who wish to hold inverse ETFs for periods exceeding one day must actively manage and rebalance their positions to mitigate compounding risk.
- **Mutual Funds** – A pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
  - **Open-End Mutual Funds** – A type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell. Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature

- **Closed-End Mutual Funds** – A type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. To provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- **Equity** – investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.
- **Cash Positions** – Based on a perceived or anticipated market conditions and/or events, certain assets may be taken out of the market and held in a defensive cash position. All cash may be included as assets subject to the agreed upon advisory fee. Other investment types may be included as appropriate for a particular client and their respective trading objectives. the firm, Inc. generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve a reasonable return on our client's cash balances through relatively low-risk conservative investments.

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#### **Item 9 – Disciplinary Information**

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There are no legal, regulatory or disciplinary events involving the firm or any of its Supervised Persons.

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

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Clients may choose to engage an investment advisor representative in their unaffiliated individual capacity as an insurance agent. Commission compensation is generated by insurance sales, but they do not offset advisory fees. It is a conflict of interest to recommend insurance products. This conflict of interest is mitigated by the fiduciary duty to always act in a client's best interest and doing so.

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#### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading Code of Ethics**

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The firm has implemented a Code of Ethics (the "Code") that defines our fiduciary commitment to each Client. This Code applies to all persons associated with the firm (our "Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. the firm and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of the firm's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (646) 965-6700 or by email at [joshua.haron@haroncapitalmanagement.com](mailto:joshua.haron@haroncapitalmanagement.com).

### **Personal Trading with Material Interest**

the firm allows our Supervised Persons to purchase or sell the same securities that may be may recommend or implemented to and purchased on behalf of Clients. the firm does not act as principal in any transactions. In addition, the firm does not act as the general partner of a fund or advise an investment company. the firm does not have a material interest in any securities traded in Client accounts.

### **Personal Trading in Same Securities as Clients**

the firm allows our Supervised Persons to purchase or sell the same securities that may be may recommend or implemented to and purchased on behalf of Clients. Owning the same securities, we may recommend or implement (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. the firm will require that personal securities trades made by its Supervised Persons be reported the Chief Compliance Officer (“CCO”) for review. Currently, Mr. Haron serves as the CCO and the sole investment adviser representative. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

### **Personal Trading at Same Time as Client**

While the firm allows our Supervised Persons to purchase or sell the same securities that may be may recommend or implemented to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will the firm or any Supervised Person trade to the detriment of any Client.

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## **Item 12 – Brokerage Practices**

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Haron Capital Management will recommend that Clients establish their custodial account[s] at Interactive Brokers, LLC (CRD No 36148).

Interactive Brokers is compensated through commissions, trails, or other transaction-based fees for trades that are executed and settle. In addition, Broker/Dealer also charges clients miscellaneous fees and charges, such as account transfer fees. Broker/Dealer charges the firm an asset-based administration fee for administrative services provided by Broker/Dealer. Such administration fees are not directly borne by clients.

Clients should also be aware that for accounts where Broker/Dealer serves as the custodian, The firm is limited to offering services and investment vehicles that are approved by Broker/Dealer, and may be prohibited from offering services and investment vehicles that may be available through other broker/dealers and custodians, some of which may be more suitable for a client’s portfolio than the services and investment vehicles offered through Broker/Dealer.

### **Electronic Trading and Order Routing System**

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system and/or listing the contract. You are responsible for directing your trading in accordance with the relevant policies, procedures and trading rules of the exchanges or systems to which your orders are routed. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the exchanges offering the system and/or listing the instruments you intend to trade.

### **Difference Among Electronic Trading Systems**

Trading or routing orders through electronic systems varies widely among the different electronic systems. You should consult the rules and regulations of the exchange offering the electronic system and/or listing the contract traded or order routed to understand, among other things, in the case of trading systems, the system's order matching procedure, opening and closing procedures and prices, error trade policies, and trading limitations or requirements, and, in the case of all systems, qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times, and security. In the case of Internet-based systems, there may be additional types of risks related to system access, varying response times and security, as well as risks related to service providers and the receipt and monitoring of electronic mail.

### **Risks Associated with System Failure**

Trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. In this regard, Customer must maintain alternative trading arrangements in addition to Customer's IB account in the event that the IB system is unavailable for any reason.

### **Simultaneous Open Outcry Pit and Electronic Trading**

Some contracts offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. You should review the rules and regulations of the exchange offering the system and/or listing the contract to determine how orders that do not designate a particular process will be executed.

### **Limitation of Liability**

Exchanges offering an electronic trading or order routing system and/or listing the contract may have adopted rules to limit their liability, the liability of FCMs and software and communication system vendors, and the amount of damages you may collect for system failure and delays. These limitations of liability provisions vary among the exchanges. You should consult the rules and regulations of the relevant exchanges in order to understand these liability limitations.

### **Internet Services**

To the extent that Customer or IB use Internet services to transport data or communications, IB disclaims any liability for interception of any such data or communications. IB is not responsible, and makes no warranties regarding, the access, speed, availability or security of Internet or network services.

### **Benefits Received**

Interactive Brokers, LLC makes available various products and services designed to assist the firm in managing and administering client accounts. These services include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of fees; and assist with back-office functions; recordkeeping and client reporting.

Interactive Brokers, LLC also makes available other services intended to help manage and further develop its business. Some of these services assist the firm to better monitor and service program accounts maintained at Broker/Dealer, however, many of these services benefit only the firm, for example, services that assist with growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used in furtherance of the operation and development of its investment advisory business.

### **Best Execution**

Although the commissions and/or transaction fees paid by our clients generally comply with our duty to obtain best execution, you may pay a commission that is higher than what another qualified broker-dealer might charge to affect the same transaction when we determine, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received.

In seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions. The brokerage commissions or transaction fees charged by the broker-dealer/custodian are exclusive of, and in addition to, our investment management fee. Our best execution responsibility is qualified if the securities we purchase are mutual funds that are traded at net asset value as determined at the daily market close.

### **Aggregation & Allocation of Transactions**

Although each client's portfolio accounts are individually managed, the firm can purchase or sell the same securities at the same time for multiple clients. When this occurs, it is often advantageous to aggregate the securities of multiple clients into one trading block for execution.

- If securities are purchased or sold in an aggregated transaction with the securities of other clients, each



client will receive the same execution price.

- If the aggregated purchase or sale involves several executions to complete the transaction, each client will receive the average price paid or received on the aggregated transaction.

HCM does not aggregate trades, but orders might be aggregated by the custodian when such opportunities are available.

### **Directed Brokerage**

The firm does not accept directed brokerage arrangements (when a client requires that account transactions be executed through a specific broker-dealer).

### **Soft Dollars**

Soft dollars are revenue programs offered by broker/dealers whereby an advisor enters into an agreement to place security trades in exchange for research and other services. Haron Capital Management does not participate in a soft dollar arrangement or any other express arrangements that involves the execution of client transactions as a condition of receiving services.

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## **Item 13 – Review of Accounts**

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### **Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Mr. Haron as the Chief Compliance Officer. Reviews are generally conducted at least annually or more frequently as needed.

The surveillance process focuses on accounts that have potential issues in the following areas:

- |                          |                      |
|--------------------------|----------------------|
| • Market Performance     | • Asset Allocation   |
| • Trading Inactivity     | • Risk Tolerance     |
| • High Cash Balance      | • Senior Suitability |
| • Position Concentration |                      |

### **Causes for Reviews**

In addition to the investment monitoring noted above, each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify the firm if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s].

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

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The firm does not engage paid solicitors for Client referrals or receive compensation from a source other than clients for providing advisory services.

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**Item 15 – Custody**

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Haron Capital Management does not accept or maintain actual custody of funds or securities. The custodian, Interactive Brokers LLC (CRD No. 36418) is responsible to providing clients with trade confirmations, tax forms and quarterly statements that include account balance(s). Clients are advised to carefully review the information provided by the custodian and notify their investment advisor representative with any questions or if such information is not received. Haron Capital Management does not have constructive custody of client assets held by Interactive Brokers LLC based on the inability to deduct advisory fees directly from client accounts. Clients authorize Interactive Brokers LLC by separate agreement to deduct advisory fees on behalf of Haron Capital Management. Clients should review the fee calculated and deducted by the custodian to ensure that the fees were calculated correctly.

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**Item 16 – Investment Discretion**

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Client can determine to engage the firm to provide investment advisory services on a discretionary, or non-discretionary basis. Full discretion includes the authority to determine the securities to be bought or sold and well as the amount. Prior to the firm assuming discretionary authority over a client's account, the client shall be required to execute a written agreement, granting the firm full or limited authority to buy, sell, or otherwise effect transactions.

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**Item 17 – Voting Client Securities**

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The firm does not vote client proxies, but third-party money managers selected or recommended by our firm may vote proxies for clients. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Except in the event a third-party money manager votes proxies, clients maintain exclusive responsibility for:

- directing the way proxies solicited by issuers of securities beneficially owned by the client shall be voted; and,
- making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

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**Item 18 – Financial Information**

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Neither the firm, nor its management, have any adverse financial situations that would reasonably impair their ability to meet all obligations to its Clients.

- Neither the firm, nor any of its the control persons, has been subject to a bankruptcy or financial compromise.
- The firm does not collect advance fees of \$500 or more for services to be performed six months or more in the future. In fact, the firm does not collect any fees in advance.

## ADV 2B – Individual Disclosure Brochure

# Joshua V. Haron

Managing Member, Chief Compliance Officer & Investment Advisor Representative  
CRD No. 1325084

26 Broadway, Suite 1107 | New York, NY 10004  
Office: (646) 965-6700 | Mobile: (917) 847-7581

Mailing Address: 1732 First Avenue, Box 313 | New York, NY 10128

**April 23, 2021**

This brochure supplement provides information about your Investment Advisor Representative that supplements the firm disclosure brochure. You should have received a copy of that brochure that describes the investment advisory services offered through the firm an investment advisor. Please contact the firm at the telephone number above if you did not receive their brochure or if you have any questions about the contents of this supplement. Additional information about your Investment Advisor Representative is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 2 - Educational Background and Business Experience**

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This section of the brochure supplement includes the supervised person's name, age (or year of birth), formal education after high school, and business background (including an identification of the specific positions held) for the preceding five years.

**Joshua V. Haron**

Year of birth: **1962**

**Education**

The following information details your Financial Advisor's formal education. If a degree was attained, the type of the degree will be listed next to the name of the institution. If a degree is not listed, the Financial Advisor attended the institution but did not attain a degree.

- Vassar College, BA History (1984)

**Business Experience**

The following information details your Financial Advisor's business experience for at least the past 5 years.

**Haron Capital Management, LLC**

Managing Member, Chief Compliance Officer & Investment Advisor Representative

12/2018 – Present

**Merrill Lynch, Pierce, Fenner & Smith Incorporated**

Senior Portfolio Advisor, Registered Representative & Investment Advisor Representative

06/2012 – 12/2018

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**Item 3 - Disciplinary Information**

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This section includes any legal or disciplinary events and material to a client's or prospective client's evaluation of the supervised person.

There are no legal or disciplinary events required to be disclosed in response to this item. Any such disciplinary information would be available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 4 - Other Business Activities**

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This section includes any relationship between the advisory business and the supervised person's other financial industry activities that creates a material conflict of interest with clients and describes the nature of the conflict and generally how it is addressed. If the supervised person is actively engaged in any investment-related business or occupation, including if the supervised person is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, the business relationship, if any, between the advisory business and the other business is disclosed below.

### Insurance Agency Affiliations

Mr. Haron is a licensed insurance professional. Insurance business is separate and apart from Mr. Haron's role with Haron Capital Management. As an insurance professional, Mr. Haron receives customary commissions and other related revenues from the various insurance companies whose products can be sold. Mr. Haron is not required to offer the products of any insurance company. Commissions generated by insurance sales do not offset advisory fees. It is a conflict of interest to recommend insurance products for a commission instead of providing advisory services for a fee. This conflict of interest is mitigated by Mr. Haron's fiduciary duty to always act in a client's best interest. Clients are under no obligation to implement any recommendations made by Mr. Haron or the Advisor.

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### **Item 5 - Additional Compensation**

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This section includes details regarding if someone who is not a client provides an economic benefit to the supervised person for providing advisory services. For purposes of this Item, economic benefits include sales awards and other prizes, but not the supervised person's regular salary, if any.

Mr. Haron can compensation from the additional business activities listed in Item 4. However, Mr. Haron does not currently receive any commission payments or other regular compensation. However, he may receive compensation from product sponsors such as promotional gifts an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational or training events or marketing or advertising initiatives.

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### **Item 6 – Supervision**

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This section explains how the firm supervises the supervised person, including how the advice the supervised person provided to clients is monitored.

The firm maintains a supervisory structure and system reasonably designed to prevent violations of applicable state rules and regulations. Mr. Haron serves as the Chief Compliance Officer and is responsible for administering the policies and procedures and managing a system of controls.

## Privacy Policy

Effective: April 23, 2021

### Our Commitment to You

Haron Capital Management (the “the firm”) is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment the firm, as described here in our Privacy Policy (“Policy”). Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. the firm (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you. The firm does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below. Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment the firms (“RIAs”) must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver’s license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client’s personal information. We require third parties that assist in providing our services to you to protect the personal information they receive from us.

## How do we share your information?

Haron Capital Management shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We share information with technology vendors and third-party service providers to manage and support operations and regulatory compliance (such as administrators, brokers, custodians, regulators, credit agencies, consultants and other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> The firm does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Haron Capital Management or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> The firm does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

## Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise this Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

## Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (646) 965-6700 or by email at [joshua.haron@haroncapitalmanagement.com](mailto:joshua.haron@haroncapitalmanagement.com).