

Safe Harbor Family Capital, LLC

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This Brochure provides information about the qualifications and business practices of Safe Harbor Family Capital, LLC (hereinafter “Safe Harbor” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2: Material Changes

This Brochure, dated December 1, 2021, is the initial Form ADV Part 2A filing for Safe Harbor Family Capital, LLC. We will provide you with an updated brochure, as required, based on the changes or new information, at any time without charge.

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Item 4: Advisory Business**Description of Advisory Firm**

Safe Harbor Family Capital, LLC ("Safe Harbor" or the "firm") is a North Carolina Limited Liability Company that was formed in 2006 to offer investment advisory services to high-net-worth individuals as well as a family foundation. Safe Harbor customizes its advisory services to meet the needs of each client family. Safe Harbor seeks to thoroughly understand each client's goals and objectives including certain restrictions clients may wish to place on the investment process, such as social or environmental restrictions. Safe Harbor will develop a customized Investment Policy Statement. Safe Harbor is wholly owned by the SHFC Trust.

Advisory Services Offered

Safe Harbor provides investment management to its clients on both a discretionary and non-discretionary basis. Safe Harbor may implement its clients' investment strategies via mutual funds, ETFs and other securities that are selected by Safe Harbor. For some clients, additional financial consulting and advice may be provided in conjunction with discretionary investment management.

Safe Harbor manages some of its client assets in separately managed accounts. In general, pursuant to its standard investment management agreement, Safe Harbor will be authorized to exercise its best judgment in investing, reinvesting, and selling the cash and other securities in each separately managed account in its discretion as well as through any of its outside managers.

Assets Under Management

As of October 31, 2021, Safe Harbor had approximately \$241,500,000 under discretionary management and \$162,500,000 under non-discretionary management.

Wrap Fee Programs

Safe Harbor does not participate in, nor is it a sponsor of, any wrap or bundled fee program.

Item 5: Fees and Compensation**AUM-Based Fee**

Advisory fees based on a percentage of AUM are payable quarterly, in advance, based on the value of the account as of the last trading day of the prior calendar quarter. Safe Harbor's management fee ranges up to 0.35%. There is no required account minimum.

Separate account managers (money managers) may also be used to manage a portion of the client's assets. The separate account manager fee will be disclosed to the client and is in addition to the Safe Harbor management fee.

Billing Method

We invoice clients for each quarter, in advance, in accordance with the terms of Safe Harbor's investment management agreement.

Fees for accounts opened or closed during a billing cycle will be prorated based on the number of days the account was open during the quarter.

Other Fees and Expenses

Safe Harbor's fees do not include brokerage commissions or other fees or charges associated with securities transactions implemented with or through a brokerage firm, mark-ups or mark-downs in principal transactions, deferred sales charges, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation all of which will be charged in addition to our fee. Clients may incur certain additional charges imposed by custodians, brokers, third-party investment managers and other such fees, including charges relating to the filing of certain tax forms, if required. Safe Harbor does not receive any portion of any of the foregoing expenses or fees. The fees charged by the custodian at which the client's assets are held may be higher than the fees imposed by other custodians. Please refer to Item 12, Brokerage Practices below for more information regarding Safe Harbor's brokerage practices.

Item 6: Performance-Based Fees and Side-By-Side Management

Safe Harbor does not currently charge performance-based fees or participate in side-by-side management. Performance-based fees are generally based on a share of the capital gains or capital appreciation of the client account assets. Side-by side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Item 7: Types of Clients

Safe Harbor provides investment advisory services to high-net-worth individuals as well as a family foundation.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

8.A. Methods of Analysis and Investment Strategies

General Investment Strategies

Safe Harbor's primary objective is to protect its clients' capital and provide reasonable growth through all market conditions. Safe Harbor seeks to offer a disciplined approach to asset allocation design and portfolio construction, with an emphasis on active management across all asset classes. The firm's primary focus is long-term cumulative returns. The aforementioned strategies guide both the process and the discipline of investment manager selection.

Use of Independent Managers

As stated above, Safe Harbor selects certain Independent Managers to manage a portion of its clients' assets. In these situations, Safe Harbor continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers'

ability to successfully implement their investment strategies. In addition, Safe Harbor does not have the ability to supervise the Independent Managers on a day-to-day basis.

8.B. Material Risks of Investment Strategies

There is no guarantee of success of the investment strategies offered by Safe Harbor. General economic and market conditions, such as interest rate fluctuations, availability of credit, inflation rates, changes in laws, and national and international political circumstances may adversely affect client portfolios. These strategies do not employ limitations on particular sectors, industries, countries, regions, or securities. Investors should also consider the risks discussed below.

Manager Selection. A risk of investing through an outside manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as Safe Harbor will not control the specific underlying investments made by such outside managers and/or placed within a particular portfolio sleeve, there is also a risk that an outside manager may deviate from the stated investment strategy, making it a less suitable investment for certain clients.

Asset Allocation. The ability to make tactical adjustments to a longer-term strategic allocation is critical. There is a risk that assets could be misallocated by Safe Harbor or the sub-advisers engaged by Safe Harbor.

Market Risk. The profitability of a significant portion of Safe Harbor's recommendations may depend on correctly assessing the future course of price movements of securities. There can be no assurance that Safe Harbor will accurately predict those price movements. Investing in securities involve the risk of loss that clients should be prepared to bear.

Interest Rate Risk and Inflation Risk. Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Tax Implications. Safe Harbor's strategies and investments may have unique and significant tax implications. However, unless the firm specifically agrees otherwise in writing, tax efficiency is not a primary consideration in the management of client assets. Regardless of client account size or any other factors, Safe Harbor strongly recommends that clients consult with a tax professional prior to, and throughout, the investment process.

Risk of Loss. Investing in securities involves risk of loss. Safe Harbor does not represent or guarantee that its services, investment strategies or separate account managers, or third-party money managers can or will predict future investment results, successfully identify the movement of markets, or insulate clients from losses due to market conditions, corrections, or declines. Past performance is not an indication or guarantee of the future performance of any investment.

Default Risk. The issuer or guarantor of a debt security or counterparty to the portfolio's transactions may be unable or unwilling to make timely principal and/or interest payments, or otherwise may be unable or unwilling to honor its financial obligations. If the issuer, guarantor, or

counterparty fails to pay interest, the portfolio's income may be reduced. If the issuer, guarantor, or counterparty fails to repay principal, the value of that security and value of portfolio may decline.

Business Risks. Risks may be associated with a particular industry or company in which Safe Harbor may direct investments.

Reinvestment Risk. There is a risk that future proceeds from investments – primarily fixed income securities may have to be reinvested at a potentially lower rate of return.

8.C. Material Risks of Securities Used in Investment Strategies

Safe Harbor's investment policies and procedures are explained in the investment advisory agreement. Typically, Safe Harbor is granted latitude in making investment decisions with respect to client portfolios. Portfolio investments generally involve a number of significant risks, including but not limited to the risks discussed below.

Equity Risk. Equity securities generally refer to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. Stocks and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk, and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. "Equity securities" may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts, partnerships, joint ventures or limited liability companies and similar enterprises, warrants and stock purchase rights. Equity securities fluctuate in value, and such fluctuations can be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that a client holds may decline over short or extended periods.

ETF and mutual Fund Risk. When investing in an ETF or mutual fund, clients will bear additional expenses based on the client's pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.

Shorting and Hedging Strategies. Some of the Portfolio Managers with which Safe Harbor will invest may employ certain hedging techniques, principally short selling, directed primarily toward reducing general market risks. Hedging against a decline in the value of a portfolio position through short selling or other techniques does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the overall portfolio value. Such hedging transactions, however, also limit the opportunity for gain if the value of the portfolio position should increase. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Insufficient correlation between hedged and hedging positions may not only result in failing to protect Safe Harbor against the risks sought to be hedged; but may actually increase the magnitude of overall loss in the event of losses in the hedging positions.

For a variety of reasons, the Portfolio Managers with which Safe Harbor invests may not seek or be able to establish a sufficiently accurate correlation between such hedging instruments and the portfolio holdings being hedged. Some may not endeavor to hedge their portfolios whatsoever or may do so on only a limited basis. As a general matter, Safe Harbor's portfolio will be exposed to basic issuer risk and other risks attendant to their investment strategies and to particular investments in their portfolio funds, which risks will not be generally hedged.

Lack of Liquidity. Safe Harbor may direct investments in particular securities which are relatively large as compared to their trading volume or overall market capitalization. Such positions may at times prove more difficult to sell in a timely or efficient manner and could thus impair to some extent, Safe Harbor's ability to fully realize portfolio gains or limit losses. Safe Harbor does not intend to generally limit investments to issues of any particular minimum capitalization and may, in fact, focus upon smaller capitalization stocks when such securities appear to afford greater appreciation potential. Such securities often have less liquidity than large capitalization issues. Investments may be made in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and Safe Harbor may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than do the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Private Company Risk. Companies in which clients invest may be in the early stages of growth, and the performance of early-stage companies may be more volatile due to their limited product lines, markets or financial reserves, their susceptibility to competitors' actions, or major economic downturns. Additionally, some of the companies in which Safe Harbor invests may require a significant investment of capital to support their operating or finance the development of their products or markets and may be highly leveraged and subject to significant debt service obligations, which could have a material adverse impact on Safe Harbor's investment.

Smaller Company Risk. Safe Harbor may direct investments in companies with limited financial resources that may be unable to meet their obligations under their securities, which may be accompanied by deterioration in the value of their equity securities or any collateral or guarantees provided with respect to their debt. Further, there may be little public information about such companies. As a result, clients may have to rely on the ability of Safe Harbor to obtain adequate information for the purposes of evaluating potential returns and making fully informed investment decisions.

Item 9: Disciplinary Information

Safe Harbor does not have any disciplinary information to disclose.

Item 10: Other Financial Industry Activities and Affiliations**Broker-Dealer and Other Registrations**

Neither Safe Harbor nor its management persons are registered, nor do they have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser or an associated person of any of the foregoing.

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

Safe Harbor has adopted a Code of Ethics (the "COE"), which sets forth the standards of business, ethical and fiduciary conduct required of all Safe Harbor employees. All Safe Harbor employees must seek to avoid or mitigate activities, interests and relationships that might appear to interfere with making decisions in the best interests of the firm's clients. Employees are required to disclose material facts concerning any conflict that arises in order for Safe Harbor to mitigate the conflict.

The COE includes various reporting, disclosure and approval requirements that are intended to prevent actual and potential conflicts of interest with transactions in client accounts. While Safe Harbor encourages its employees and their families to develop personal investment programs, they must not take any action that could cause even the appearance of impropriety. Accordingly, Safe Harbor employees are expected to conduct all personal securities transactions in accordance with the firm's compliance procedures, including any pre-authorization and reporting requirements, and to comply fully with the firm's insider trading policies and procedures, as well as the rules pertaining to the receipts of gifts and gratuities and directorships. Because the COE would, in some circumstances, permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employees are prohibited from front-running purchases and sales by and for clients and, among other things, must obtain pre-clearance from the firm's Chief Compliance Officer before participating in an IPO or a private placement.

A full copy of the COE is available to advisory clients and prospective clients upon request.

Item 12: Brokerage Practices**Selection of Brokers**

Safe Harbor generally recommends that clients utilize the brokerage and clearing services of TD Ameritrade ("TDA"). Safe Harbor is neither a broker nor a broker-dealer and cannot execute securities trades for its clients' accounts. In Safe Harbor's investment advisory agreement, the client will indicate the selected broker and custodian for the client's account.

In recommending brokers, Safe Harbor seeks to obtain the best combination of price and execution capabilities and considers such other factors as reputation and reliability, financial responsibility, research, and other services, which may be offered by such broker-dealer. The client may be able to receive similar services from another custodian and incur fees that are lower or higher than those charged by TDA.

Safe Harbor or third-party money managers may "bunch" or aggregate purchase or sale orders for a number of its client accounts in order to facilitate best execution and to reduce costs. If Safe Harbor third-party money managers are not able to fully execute a bunched order, securities in bunched transactions will be allocated to participating client accounts on a pro-rata basis in proportion to the size of the order originally placed for each account. Safe Harbor and/or third-party money managers may, however, increase or decrease the number of securities allocated to each account, if necessary, to avoid holding odd lot or small numbers of shares for particular clients.

While Safe Harbor receives certain services customarily provided by custodians, such as software, the firm does not currently have any soft dollar arrangements in place with custodians and broker dealers through which Safe Harbor receives research or other services based on commissions generated in client accounts or the number of transactions effected for client accounts.

In fulfilling its duties to its clients, Safe Harbor endeavors at all times to put the interests of its clients first and does not believe that its recommendations regarding choice of custodian are influenced by their provision to serve the firm. Many of the services described above may be used to benefit all or a substantial number of client accounts, including accounts not maintained through TDA. Safe Harbor does not attempt to allocate these benefits to specific clients.

Safe Harbor is independently operated and owned and is not affiliated with TDA.

TDA generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through TDA or that settle into TDA accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). TDA provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Item 13: Review of Accounts

Certain staff members, including the CIO, CCO, and investment analyst, review each client account monthly in addition to conducting quarterly meetings internally and with the client. Reviews may be conducted more or less frequently at the client's request. Accounts may also 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. These reports provide a review of the client's investment portfolio, including a review of asset allocation and

performance of account assets. Clients will also receive brokerage transaction confirmations and monthly and/or quarterly statements from the custodians of their assets.

Item 14: Client Referrals and Other Compensation

Safe Harbor does not currently have any client referral arrangements and is not provided any other compensation in connection with attracting and retaining clients that is not otherwise described in this brochure. Neither Safe Harbor nor any of its employees receives any economic benefit, including sales awards or prizes, from non-clients for providing advisory services.

Item 15: Custody

Safe Harbor is not deemed to have custody of client accounts. Safe Harbor sends the client an invoice for its management fee.

Safe Harbor will ensure that a qualified custodian holds client accounts in the name of each client. Currently, TDA serves as the qualified custodian.

Clients will receive statements directly from the qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of Safe Harbor's fees for that quarter. Clients are urged to carefully review these account statements and compare them to any account statements provided by Safe Harbor for any discrepancies although these statements may vary from the custodial statements based on differences in accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16: Investment Discretion

Safe Harbor generally has full discretionary investment authority for the selection of securities and the amount of securities to purchase and sell for individual client accounts without advance client approval. All clients are provided with a Discretionary Investment Advisory Agreement. By signing the agreement, clients grant Safe Harbor the authority to manage their account on a continuing basis with respect to the investment and reinvestment of all cash and securities in the account. However, Safe Harbor does not have the authority to withdraw cash or securities from client accounts, except as authorized by the client for payment of Safe Harbor's fees.

Safe Harbor has non-discretionary authority regarding separate account managers private deals. Safe Harbor recommends separate account managers to clients wishing to expand their private and limited offering holdings.

Item 17: Voting Client Securities

Safe Harbor does not vote proxies with respect to the securities held in client accounts. Safe Harbor maintains written proxy voting policies and procedures, as required by Rule 206(4)-6 of the Advisers Act, and makes appropriate disclosures regarding the firm's proxy policies and practices. The firm's proxy policies and procedures are described generally below and in detail in Safe Harbor's Proxy Policy.

Upon request, clients may obtain a copy of Safe Harbor's complete proxy voting policies and / or information regarding the manner in which proxies were voted on behalf of their account by contacting the firm at (919) 537-7110.

Item 18: Financial Information**18.A. Advance Payment of Fees**

Safe Harbor does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered.

18.B. Financial Condition

Safe Harbor does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

18.C. Bankruptcy Proceedings

Safe Harbor has not been the subject of a bankruptcy petition at any time during the past ten years.