

March, 2021

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 admin@harbor-ithaka.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 moved its offices to 3250 NE 1st Ave, Suite 305. Miami, FL 33137.

Our Brochure may be requested by contacting Norma Carabano at (305) 755-7600 or admin@harbor-ithaka.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, co-develops and manages fund of fund type investment strategies and pooled investment vehicles that invest in some of the following segments: Real estate, CRE Direct Lending, Private Credit, and Hedge Funds. 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 and or pooled investment vehicles 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 hedge funds.
- 2- Non-prescriptive investment analysis, portfolio aggregation 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 design investment policy and processes, direct client regarding general investment allocation strategy, tactics, and both evaluation as well as active advising regarding what it considers to be appropriate investment implementation (product and strategy selection). 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. These portfolios may combine both advisor managed investment strategies as well as strategies managed by third party investment managers.

a. Investment Approach

Most investments 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 sources of these streams of cash flows; That is to say it has a preference to invest where there is a lower level of uncertainty regarding the risks to the cash flows that are pledged to the security or investment asset. Furthermore, the advisor seeks to be disciplined and prudent when accepting prices for risk taking. The Advisor prefers asset classes which evidence a more stable relationship between asset prices or valuations and the underlying assets intrinsic value, as relates to the cash flow generating capabilities of the assets. In this sense, the Advisor’s investment style is focused on intrinsic value rather than forward looking estimations of price and market action.



The Advisor also has a preference for tactical opportunism, buying claims on assets and cash streams when heightened market or macroeconomic volatility offers an increase in reward for the risk taking of asset classes characterized by more transparent.

While most traditional investment portfolios seem focused on attempting to estimate the future prices of securities and define diversification rather superficially, in terms of asset classes and correlations, the advisor focuses its work around optimizing investing in asset classes that evidence low sensibilities to traditional market beta risks, and when building portfolios, aggregating asset classes with risk return drivers that are fundamentally distinct.

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

- a) Short maturity sovereign bonds, including US treasuries;
- b) Ultra-short maturity and high-quality corporate paper and debt;
- c) Short maturity corporate Credit debt, including investment grade, high yield and emerging market corporates;
- d) Certain Segments of the asset backed direct lending private market segment, including private corporate and real estate lending;
- e) Real Estate;
- f) Certain segments and strategies included in the “specialty finance” segment, including life-settlements;
- g) Certain segments and strategies included under the private market category, including private equity, “secondary” strategies, and venture capital.

Financial Investments and Portfolio Management

Analytical Framework: The goal of the Advisors’ investment framework is to realize portfolios that are low volatility, low probability of significant loss of principal, while still allowing for an acceptable level of return such that acceptable long term compounding can be achieved.



To achieve this goal, the advisor will combine top-down macro research with a manager and investment strategy selection process to construct portfolios for the various “low sensitivity” asset classes that fit the Advisor’s above referenced preferences.

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; Attempt to gauge whether or not different trends are fragile or robust, and if their underlying economic drivers are sustainable;
- c) Attempt to understand the potential impact of risks related to those trends or reversals, on particular asset classes and investment markets.

The objective of this first level of research is not predictive but rather to try to identify possible risks to trend momentum and economic consensus and visualize guardrails to avoid significant draw-downs or loss of principal.

Strategy and Manager Selection

Investment Managers and their strategies are selected with a goal to further optimize what have already been perceived as an asset classes’ or sub segment’s beneficial risk return asymmetries. Managers nad strategies are chosen to be:

- a) Risk management focused
- b) Attractive historical performance of either the fund, or the firm’s or manager’s previous funds;
- c) Quality of manager’s investors (LP’s) in the fund,
- d) Relatively high levels of access and transparency regarding manager’s portfolios
- e) Operational Roubustness.

Regarding the application of the firm’s investment philosophy and 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, primarily income from his salaries, 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 based on expected returns in a portfolio of highly volatile financial investments, but rather, because the drive of the portfolio of financial assets should provide stable support, and be consist and balance the risks to which the investors is exposed by way of his “whole balance sheet”, the portfolio design should focus on controlling the potential for loss of principal, and balancing for liquidity and stable returns.

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, private placements, private 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.

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.



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.

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 16 clients and has approximately USD107,144, 672 in assets under management as of December 31, 2020.

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%)



b. Managing Team

Rafael A. Alcantara-Lansberg

Mr. Alcantara-Lansberg serves as Managing Director and Chief Investment Strategist 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, Dallas and Miami, 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 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.

c. 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.



III. Fees and Compensation

Advisory and 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.

Client Advisory Fees range from 0.75% to 1.50% 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).

Harbor Ithaka WM may charge clients a minimum fee of \$21,000 per year.

Harbor Ithaka WM also provides Portfolio Management Services to affiliated or unaffiliated Private Funds or pooled investment vehicles. The fees charged to each Fund are a function of the type of portfolio. These fees may range from 0.65% to 2.20% 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.

The firm may choose to recommend and invest its advisory clients in affiliated or unaffiliated Private Funds or Hedge Funds, that may be managed or co advised by the firm or an affiliated entity.

As per the investment management contracts that the Firm signs with its clients, nonprofessional advisory clients may be charged both account level advisory fees charged on the total value of the client's holdings with the firm, as well as "asset management" fees charged by the funds managed by the Advisor or its affiliated. Any investment management or advisory fees paid to the FIRM by such private funds or



pooled investment vehicles managed, co-managed by the firm or an affiliated entity that are above the “maximum fees” charged by each specific strategy or private fund as detailed in the client’s investment management contract, will be credited back to the advisory clients.

Because the Advisor’s aggregate fees may be higher when clients invest in the private pooled investment vehicles it manages or sponsors, the Advisor is incentivized to recommend them.

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.

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

Harbor Ithaka WM may also provide Investment Portfolio Supervisory Consulting Services. These consulting services will be offered solely to accredited investors with estates valued at over USD25,000,000.

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 USD350.00 /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.



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 will combine top-down macro research with a manager and investment strategy selection process to construct portfolios for the various “low sensitivity” asset classes that fit the Advisor’s above referenced preferences.

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) Attempt to gauge whether or not different trends are fragile or robust, and if their underlying economic drivers are sustainable;
- d) Attempt to understand the potential impact of risks related to those trends or reversals, on particular asset classes and investment markets.

The objective of this first level of research is not predictive but rather to try to identify possible risks to trend momentum and economic consensus and visualize guardrails to avoid significant draw-downs or loss of principal.

Strategy and Manager selection

Investment Managers and their strategies are selected with a goal to further optimize what have already been perceived as an asset classes’ or sub segment’s beneficial risk return asymmetries. Managers nad strategies are chosen to be:

- a) Risk management focused
- b) Attractive historical performance of either the fund, or the firm’s or manager’s previous funds;
- c) Quality of manager’s investors (LP’s) in the fund,
- d) Relatively high levels of access and transparency regarding manager’s portfolios
- e) Operational Roubustness.

The advisor thinks that the best approach to attain consistent long-term returns is to first, diversify the underlying or fundamental drivers of risk and return, and second, carefully select each investment manager and strategy with a process designed to select those with better down side protection .



The advisor may use exchange listed securities, over-the-counter securities, foreign securities, corporate or sovereign debt securities, CDs, mutual funds, private funds, private placements, 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 difficulties related to achieving the necessary diversification,. 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 choose carry significant levels of cash or short maturity US treasuries notes and investment grade bond positions either as way to temporarily derisk a portfolio or 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.

Most alternative investments are highly illiquid. Moreover, most alternative investment strategy managers will maintain the discretion to limit liquidity even beyond their own target liquidity conditions so that they can defend their portfolios in cases of severe market or economic stress. Investors should bear in mind that while there may be many benefits to investing in some alternative strategies and funds, limits to liquidity can be substantial.

There is a substantial risk of principal 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

1 Harbor APS, LLC is a Florida Limited Liability Corportaion that holds Insurance Licenses.

Harbor Ithaka Consulting Services is a Florida Limited Liability Company that performs investment accounts aggregation and non-prescriptive performance accounting services for qualified investors. These services do not entail investment advice.



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 three (03) 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 admin@harbor-ithaka.com and/or compliance@harbor-ithaka.com.



XVI. Financial Information

On April 2020, Harbor Ithaka WM applied for a “Payment Protection Program” (PPP) Loan – basically a loan program designed to help businesses keep their workforce employed during the Coronavirus (COVID-19) crisis – for eighty five thousand five hundred and sixty five U.S. dollars (USD85,565.00), which it received in early May 2020.

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