

## Harvest Financial Corporation Client Relationship Summary Disclosure

Updated September 30, 2021

### **ITEM 1. INTRODUCTION**

Harvest Financial Corporation (“we”, “us” or “Harvest”) is registered as a broker-dealer with the U.S. Securities and Exchange Commission (SEC) and as an investment adviser with the Commonwealth of Pennsylvania and the state of Ohio. Free and simple tools are available for you to research firms and financial professionals at the SEC’s investor education website: [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers and investing. Harvest is a member of FINRA (Financial Industry Regulatory Authority) and you can find additional information about us and our investment consultants on the FINRA website located at [www.finra.org/brokercheck](http://www.finra.org/brokercheck). We are also a member of the Securities Investor Protection Corporation (SIPC) whose website is [www.sipc.org](http://www.sipc.org)

This disclosure is provided to comply with the SEC’s Form CRS and Regulation Best Interest disclosure requirements. It does not create or modify any agreement, relationship, or obligation between you and Harvest (or its investment consultants). Please consult your agreements with Harvest for all terms and conditions controlling your account and relationship with us. Additional information is available on our website at [www.harvest-financial.com](http://www.harvest-financial.com)

This relationship summary includes information about our services, fees and costs, and conflicts of interest that we are required to provide to you when we recommend that you open and fund either a brokerage or advisory account, or when we recommend that you roll over or transfer assets to a brokerage or advisory account with us.

Investment and insurance products offered through Harvest are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investments risks, including possible loss of the principal amount invested.

### **ITEM 2. Relationships and Services**

#### **WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE TO ME?**

Harvest may offer brokerage services, investment advisory services, or both based on your goals and needs.

**Our Investment Offerings.** In both our brokerage services and investment advisory services, we utilize a wide range of investments to **retail investors**, including but not limited to, mutual funds, equities, fixed-income securities, options, variable and fixed annuities and life insurance.

<b><u>Broker Dealer Accounts</u></b>	<b><u>Investment Advisory Accounts</u></b>
<p><b><u>Services Offered:</u></b> Our <b>brokerage services</b> include buying and selling securities (e.g., stocks, mutual funds, bonds) at your discretion. We can also provide clients with financial tools and investor education.</p> <p>We will be acting in our capacity as a broker-dealer when we make investment recommendations to you, including a recommendation to open or transfer assets to a brokerage account. When making such a recommendation to you, we do not have a fiduciary obligation to you but we must act in your best interests at the time we make the recommendation without placing our financial or other interests ahead of yours.</p> <p><b><u>Account Monitoring:</u></b> We do not monitor your brokerage accounts. You will receive account statements to you at least on a quarterly basis in paper or electronic form.</p>	<p><b><u>Services Offered:</u></b> Our <b>investment advisory services</b> including managing and allocating client assets among investments available on our advisory platforms, financial planning services, and pension consulting.</p> <p>When we provide you with investment advice for a fee under an investment advisory agreement, we will be acting in our capacity as an investment advisor. As an investment advisor, we have certain fiduciary obligations to you. We provide clients with holistic wealth management, not just transactions.</p> <p><b><u>Account Monitoring:</u></b> We periodically monitor your advisory account for you as part of our advisory services in accordance with the terms of your advisory agreement. The frequency and limitations of our</p>

<p><b><u>Investment Authority:</u></b></p> <p>We do not offer discretionary brokerage accounts to <b>retail investors</b>. You may select investments or we may recommend investments for your account, but the ultimate investment decisions for your investment strategy and the purchase or sale of investments will be yours. This means that you are responsible for reviewing your account and investments to make sure your investment mix is appropriate for you and for deciding whether to follow our investment recommendations.</p> <p><b><u>Minimum Account Opening Requirements:</u></b></p> <p>You do not need to have a minimum amount to invest to open a brokerage account with us. However, some of the investments you may purchase through us have minimum investment requirements. For more information regarding minimum investment requirements, please refer to the prospectus or offering documents for your investment.</p>	<p>account monitoring depend on the advisory program that you select. We will offer you advice on a regular basis. We will discuss with you our strategy developed for you to achieve your investment goals.</p> <p>Our financial planning services are limited to preparation of a financial plan based on the information that you provide, and do not include ongoing monitoring.</p> <p><b><u>Investment Authority:</u></b></p> <p>Depending on the program and services you select, we will provide you with investment recommendations and you will make the ultimate decision regarding your investments (“<b>non-discretionary advice</b>”) or we will make the investment decisions for you without your input (“<b>discretionary advice</b>”). You may also hire a third-party manager to provide discretionary advice to you through our programs, or we can choose one for you. The terms and limits of our discretionary authority are described in your advisory agreement with us.</p> <p><b><u>Minimum Account Opening Requirements:</u></b></p> <p>There are no formal account minimums Unless the minimum annual advisory fee is reduced, an advisory account size below \$100,000 may not be appropriate for a <b>retail investor</b>.</p>
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**Additional Information:**

Please see our “Harvest Financial Corporation Regulation Best Interest Brokerage Disclosures” and “Advisory Disclosure Documents” (Form ADV, Part 2A brochures), which are available at [www.harvest-financial.com](http://www.harvest-financial.com) for more information.

<p><b>CONVERSATION STARTER: QUESTIONS YOU MAY WANT TO ASK YOUR INVESTMENT CONSULTANT</b></p> <ul style="list-style-type: none"> <li>• <i>Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?</i></li> <li>• <i>How will you choose investments to recommend to me?</i></li> <li>• <i>What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?</i></li> </ul>
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**ITEM 3. What Fees will I pay?**

<p><b><u>Broker Dealer Account Transaction-based Fees:</u></b></p> <p>For our brokerage services, the primary fees a <b>retail investor</b> pays are “transaction-based” fees, typically called “commissions,” “sales charges,” “loads,” “selling concessions,” or “trails”. These fees vary depending on the investment product you select, the capacity in which we act, and the size of your transaction, and can be charged up-front when you purchase or sell the investment, or on an ongoing</p>	<p><b><u>Investment Advisory Account Fees:</u></b></p> <p>For our investment advisory services, you will pay a fee (the “Advisory Fee”) for the program you select. The Advisory Fee is a “bundled fee” which includes certain trade execution, custody and other services as part of the fee. Advisory fees are calculated as a percentage of the assets in your advisory account according to an approved fee schedule. This means that the more assets you maintain in your account, the more</p>
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basis for as long as you hold the investment (“trails”). If we purchase or sell a security to you from our own account (“riskless principal”), rather than acting as your agent, we are paid by marking the price up or down and retain that difference, which is a benefit to us. Because we are compensated for these transactions, we may have a conflict of interest to encourage you to invest in products that pay us greater compensation than those that pay us less and to trade more frequently and in greater volume. Additionally, we (and your investment consultant) may have an incentive to recommend that you open, or transfer assets to, a brokerage account instead of an advisory account when you trade so frequently or in such volume that we would receive more revenue than if you invested through an advisory account.

**Description of Other Fees and Costs:**

In addition to the foregoing fees, our clearing and custody partner, RBC Correspondent Services (“RBC CS”), may assess certain fees associated with your brokerage account, such as account annual fees, termination fees, and account transfer or liquidation fees. For a schedule of fees charged by RBC CS and your brokerage firm, you may visit Investor Connect through our website: [www.harvest-financial.com](http://www.harvest-financial.com) where a list of fees is included in the most recent electronic statement section for the quarterly periods ending March, June, September or December.

The fees and costs you pay for specific securities transactions are disclosed to you on the confirmation statement you receive after your transaction is executed. The total costs you incur (and compensation we earn) in connection with your brokerage accounts will primarily depend on your investment mix and how often you trade.

you will pay in fees. Therefore, we may have an incentive to encourage you to increase your advisory account assets. In addition, we generally earn more compensation when you invest with us through an advisory account instead of a brokerage account, particularly if you trade infrequently or purchase investments that would pay us lower commissions and other compensation if purchased through a brokerage account. This may create an incentive for us, and your financial advisor, to recommend that you open, or transfer assets to, an advisory account instead of a brokerage accounts. More information about our advisory fee schedule is available in our “Advisory Disclosure Documents” which are available at [www.harvest-financial.com](http://www.harvest-financial.com).

**Description of Other Fees and Costs:**

In addition to the Advisory Fee, our custody partners, RBC Correspondent Services and Charles Schwab Co., Inc. may assess certain fees associated with your advisory account, such as account termination fees, and account transfer or liquidation fees. However, these fees are borne by Harvest, not by the retail advisory client, as part of the “bundled fee”.

The fees you pay for investment advisory services are disclosed to you on the account report statements you receive each quarter. The total costs you incur (and compensation we earn) in connection with your advisory accounts will primarily depend on the assets in your advisory account and the program fee rate.

**Additional Information:**

With respect to both broker-dealer and advisory services, you will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Certain investments, such as mutual funds, ETFs, UITs, annuities and 529 College Savings Plans bear ongoing costs that you pay indirectly because they are factored into the cost of the investment and are in addition to our brokerage and advisory fees. In addition, these types of investments may charge surrender or early termination fees if you sell your investments early. For more information regarding these investments, please refer to the prospectus or offering documents for your investment.

**CONVERSATION STARTER: QUESTIONS YOU MAY WANT TO ASK YOUR INVESTMENT CONSULTANT**

- *Help me to understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*
- *What are your legal obligations to me as a retail investor when providing recommendations as my broker-dealer or when acting as my investment advisor?*
- *How else does your firm make money and what conflicts of interest do you have?*

When we provide you with a recommendation as your broker-dealer or act as your investment advisor, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with

your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide to you.

### **Examples of Conflicts of Interest**

**Third Party Payments.** We receive commissions from third-parties when we sell certain products, such as variable and fixed annuities and life insurance. As such, we have an incentive to recommend (or to invest your assets in) products of third-parties that pay us over products of third-parties that do not pay us or pay us less fees.

**Revenue Sharing.** Certain fund managers and sponsors share the revenue they earn when you invest in certain of their investment products (primarily mutual funds and variable annuities) with Harvest. As such, we have an incentive to recommend (or to invest your assets in) products of sponsors and fund managers that share their revenue with us, over other products of sponsors or fund managers that do not share or who share less.

**Riskless Principal Trading.** We may buy from or sell to you from our riskless principal account certain fixed income securities. Because we earn compensation (such as mark-ups, mark-downs and spreads) in our brokerage accounts, we may have an incentive to trade with you on a principal basis. For advisory accounts, our buy or sell price to you is the same as our riskless principal price – we do not receive compensation for mark-ups, mark-downs or spreads).

### **CONVERSATION STARTER: QUESTION YOU MAY WANT TO ASK YOUR INVESTMENT CONSULTANT**

*How might your conflicts of interest affect me and how will you address them?*

### **HOW DO YOUR INVESTMENT CONSULTANTS MAKE MONEY?**

Investment consultants of Harvest are compensated based upon a percentage of commissions, advisory fees and other charges paid to Harvest by the **retail investor** clients of Harvest. This percentage varies by product and service, as well as the investment consultant's production level. As the amount of commissions or fees paid by clients increase or decrease, the compensation paid by Harvest to the investment consultant will also increase or decrease. Rising production levels may create an incentive for the investment consultant to generate more revenue and falling production levels may create a disincentive for the investment consultant to reduce commissions or fees as it will negatively affect the percentage of commissions earned.

In the case of certain investment products, such as funds, the issuer or the sponsor may provide our investment consultants with other forms of compensation, such as business entertainment, educational or similar business meetings, marketing and sales events and nominal gifts. The receipt of these payments presents a conflict of interest as it may create an incentive for the investment consultant to recommend (and maximize the use of) those investment products whose issuers or sponsors offer these forms of compensation.

### **ITEM 4. Do you or your financial professionals have legal or disciplinary history?**

Yes, Harvest and some of our investment consultants have legal or disciplinary histories. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals. You may also research our firm and our financial professionals' licenses and experience on FINRA's website at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

### **CONVERSATION STARTER: QUESTION YOU MAY WANT TO ASK YOUR INVESTMENT CONSULTANT**

*As an investment consultant, do you have any disciplinary history? For what type of conduct?*

### **ITEM 5. Additional Information**

For additional information about our brokerage services, investment advisory services, or to obtain an updated copy of this Client Relationship Summary, please visit our website at [www.harvest-financial.com](http://www.harvest-financial.com). You may also request up-to-date information and request a copy of this Client Relationship Summary by calling us at (412) 391-1466 or writing us at Harvest Financial Corporation, ATTN Form CRS, 1600 Benedum-Trees Building, 223 Fourth Avenue, Pittsburgh PA 15222.

### **CONVERSATION STARTER: QUESTION YOU MAY WANT TO ASK YOUR INVESTMENT CONSULTANT**

*Who is my primary contact person? Is he or she a representative of a broker-dealer or an investment advisor? Who can I talk to if I have concerns about how this person is treating me?*