

## Disclosure Brochure



### Harlow Wealth Management, Inc

(Formerly Known As "NW Tax & Wealth Advisory Group, Inc.")

[www.harlowwealth.com](http://www.harlowwealth.com)

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*This brochure provides information about the qualifications and business practices of Harlow Wealth Management, Inc. (f/k/a/ "NW Tax & Wealth Advisory Group, Inc.") If you have any questions about the contents of this brochure, please contact us at (360) 573-2522 or [compliance@harlowwealth.com](mailto:compliance@harlowwealth.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. Additional information about Harlow Wealth Management, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Harlow Wealth Management, Inc. is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.*

## Item 2 – Material Changes

Harlow's Annual Update was filed with the SEC on March 22, 2024, and represents an amendment to the Brochure for Harlow Wealth Management, Inc. No material changes were made to the Annual update.

On 8/9/2024, Harlow made the following changes to its brochure:

- Item 4 – the Firm added that it is now provide investment advisory services to participants in 401K plans
- Item 5 – The fee schedule for investment advisory services to 401k plans was added
- Item 7 – Added 401k plan participants as types of clients
- Item 12 -Added a sentence that Harlow maintains relationships with Schwab, Fidelity, and Altruist.

Pursuant to regulatory requirements, we will deliver to you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. All such information will be provided to you free of charge.

Currently, our Brochure may be requested by contacting our Chief Compliance Officer by email at [Compliance@harlowwealth.com](mailto:Compliance@harlowwealth.com).

Additional information about the firm is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with the firm who are registered as investment adviser representatives of the firm.

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## Item 4 - Advisory Business

### Ownership/History

Harlow Wealth Management, Inc., formerly known as “NW Tax & Wealth Advisory Group, Inc.” is an investment adviser registered with the Securities and Exchange Commission. Registration as an investment adviser does not imply a certain level of skill or training. Danny J. Harlow founded NW Tax & Wealth Advisory Group, Inc. in 2005. In July 2017, the firm’s name was changed to Harlow Wealth Management, Inc. (“Harlow” or the “Firm”).

Together, Danny, Esther, and Christopher Harlow own 100% of the Firm.

Harlow offers investment advisory and financial planning services, as well as the sale of insurance to its clients.

### Advisory Services

- Investment Management:

Harlow offers ongoing investment management based on a client’s individual needs and circumstances. Harlow’s investment management process includes an initial assessment, recommendations, implementation, monitoring, and ongoing management. Harlow also meets with clients periodically to proactively identify and plan for any changes that could influence their overall financial situation.

Harlow will tailor its services to the client’s stated goals, needs and objectives. Clients may impose restrictions on investing in certain securities or types of securities. Any specific requirements will be detailed in writing before the engagement begins. Harlow reserves the right to decline an account if the restriction(s) imposed unduly restrict the Firm’s ability to manage the account.

Harlow is a registered investment adviser and is required to meet certain fiduciary standards when providing investment advice. As such, Harlow is required to act in a client’s best interest and not put the Firm or its Financial Advisor’s interest ahead of a client’s, even though our compensation creates some conflicts with your interests in that the more you have us manage, the more we can earn.

### **Third Party Money Managers**

Harlow typically recommends its clients utilize the services of one or more unaffiliated investment managers (“Sub-Advisors”) who offer advisory services through AEW’s Wrap Fee program. The Sub-Advisors invest client assets in portfolios modeled to be consistent with their investment objectives and financial needs. Clients are not obligated to accept Harlow’s recommendation to use a particular Sub-Advisor(s).

Prior to using any Sub-Advisor, Harlow will review the Sub-Advisor’s backgrounds and consider factors, such as fees, reputation, performance, financial strength, management, price, reporting capabilities. A Financial Advisor will then present the client with one or more recommendations based on their specific financial situation, goals, needs, and investment objectives. Each recommended Sub-Advisor is a registered investment adviser<sup>1</sup> who manages your investments in one or more model portfolios.

Where applicable, clients will be provided with the Sub-Advisor’s written disclosure brochure describing its services, fees, and other important information, by the Sub-Advisor on an annual basis. In addition, Harlow will provide clients with its written disclosure which describes the Firm’s relationship with Sub-Advisors used by the Firm as well as information regarding the compensation the Firm receives from the Sub-Advisor.

Generally, the Sub-Advisor is responsible for portfolio management, portfolio design, best execution, portfolio reporting, trading, trade error resolution, and custodian reconciliations, but Harlow may supplement client accounts with other holdings. Harlow’s agreements with Sub-Advisors usually require us to maintain a relationship with each client to ensure that information about the client’s specific goals, financial situation and risk preference remain current, to assist the client in determining appropriate allocation models, to review account activity periodically, to meet with clients annually, and to respond to client inquiries.

If a client implements their plan’s investment management recommendations or insurance recommendations through Harlow, the Firm may receive other compensation and benefits related to implementing these recommendations.

Additional compensation may present a conflict of interest in that there is an incentive to make a recommendation based on the compensation and/or benefits received, rather than on your needs. Harlow addresses this conflict through disclosures, such as this Disclosure Brochure or

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<sup>1</sup> We will not refer a client to a Sub-Advisor unless the Sub-Advisor is registered, notice-filed, or exempt from registration as an investment adviser in the client’s state of residence.

other materials discussing the products and/or services offered. For additional information, see “Advisory Business” above and “Other Financial Industry Activities and Affiliations” below

Harlow has entered into a sub-advisory relationship with AE Wealth Management, LLC (“AEWM”) to provide Sub-Advisory investment management services to our clients. This arrangement allows us to access model portfolios, model managers, strategists, third party money managers, trading services and investments through AEWM’s managed account program.

### **Additional Sub-Advisory Services**

Harlow has engaged the services of AE Wealth Management LLC (“AEWM”) as a Sub-Advisor to assist in the provision of investment management services for the client. Harlow has entered into a sub-advisory relationship with AE Wealth Management, LLC (“AEWM”) to provide Sub-Advisory investment management services to our clients. This arrangement allows us to access model portfolios, model managers, strategists, third party money managers, trading services and investments through AEWM’s managed account program. When you sign an investment management agreement, AEWM will provide you with a copy of their disclosure brochure which contains a detailed description of AEWM’s services.

Harlow provides clients and prospects with a variety of educational resources such as articles, e-newsletters, and e-seminars to anyone visiting its web site ([www.harlowwealth.com](http://www.harlowwealth.com)). Content is intended to be timely, and to help readers understand their investment needs. Harlow is not compensated for this service.

From time to time, Harlow Wealth Management, Inc. holds events designed to provide clients and prospective clients with information about investing, taxes, and other applicable topics. There is no charge or obligation to those attending the events.

### **IRA Rollovers**

As part of our advisory services, Harlow may provide recommendations and advice concerning your employer retirement plan or other qualified retirement account. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

- (i) leave the money in the former employer’s plan, if permitted,

- (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted,
- (iii) roll over to an Individual Retirement Account ("IRA"), or
- (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

When Harlow provides rollover advice to a client or prospect regarding a retirement plan account or individual retirement account, the Firm is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts.

If Harlow recommends that a client roll over their retirement plan assets or transfer an IRA into an account to be managed by Harlow, the Firm will earn an advisory fee on the rolled over assets, that recommendation creates a conflict of interest. Accordingly, Harlow operates under a special rule that requires the Firm to act in the client or prospect's best interest and not put its own interest ahead of the client's or prospects. No client is under any obligation to roll over retirement plan assets or transfer IRA assets to an account managed by Harlow. Harlow's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.

### **Wrap Fee Programs**

Although Harlow does not sponsor a wrap fee program, the Firm does utilize AEWM's wrap fee program and may delegate a client's account to a Sub-Advisor participating in that program. Further information pertaining to AEWM's wrap fee program is available in AEWM's Form ADV Part 2A which is provided to clients who are utilizing investments through this program.

Harlow may also provide investment advisory services to participants in 401K plans. Harlow does not provide investment management services to any ERISA Plans and does not act as a Fiduciary under ERISA.

- Financial Planning:

Harlow's financial planning services typically involve providing targeted services, such as analysis of taxes, investments, retirement distributions, retirement, and estate planning. A Financial Advisor will meet with a client to discuss their current financial situation, gathering information about the client's investment understanding, risk tolerance, income, tax bracket, liquidity, time horizons, etc. Harlow will then analyze the client's current portfolio, which may include an analysis

of the client's investment portfolio and estimating a historic rate of return. Harlow will follow up by giving clients a review of their findings. Throughout the process, Financial Advisors make certain assumptions regarding interest and inflation rates and the use of past trends and performance of the market and economy. It is important to remind our clients that past performance is in no way an indication of future performance, and that Harlow does not offer any guarantees or promises that a client's financial goals and objectives will be met.

Harlow can provide a client with a comprehensive financial plan or a plan that is focused on specific areas. Either way, Harlow designs the plan to be consistent with each client's stated financial goals and objectives.

### **Clients Assets Managed**

As of December 31, 2023, Harlow managed \$315,949,895 of discretionary client assets.

## **Item 5 - Fees and Compensation**

### **Investment Management Fees**

Management fees vary depending on whether accounts are managed internally or on an outside management platform. Generally, fees charged to clients may be up to 1.55% of assets under management per annum. Harlow, at their sole discretion, may negotiate fees based on the size and complexity of a client's account.

Fees are charged monthly in arrears and are based on average, daily account value as of the end of the applicable month as reported by the custodian. Fees are generally debited directly from a client's account by custodian at the direction of the client, Harlow, or the applicable platform provider.

Clients may be required to provide written authorization to their account's custodian in order for management fees to be deducted from their account. If a client's account does not have a sufficient cash or money market balance to cover the fees or is restricted from automatic debiting of fees, additional funds, subject to certain restrictions for IRA accounts and Qualified Retirement Plans, may be deposited to the account. Alternatively, clients can make payment in an alternative manner acceptable to Harlow. If a client does not deposit additional funds or otherwise make the payment, securities in the account may be sold in an amount sufficient to cover the fees. The client's custodian will reflect the amount of the fee deduction on their account's statement.



Clients may terminate their Investment Management Agreement without penalty within five (5) business days after entering into it. Any prepaid investment management fees will be refunded.

After five (5) business days, clients may terminate Harlow's services at any time by providing written notice to Harlow Wealth Management, Inc. For an account billed in advance, clients will be entitled to a pro-rata refund of any prepaid fee based upon the number of days remaining in the period after the effective date of the termination. For an account billed in arrears, clients will be billed for the partial period.

A client's death will not terminate an investment advisory agreement or authority granted to Harlow. In order to make any changes to the account, Harlow must receive written notification of a client's death and notice of who will be working with the Firm on the client's account. Harlow will then work with the client's representative to help them make the appropriate choices for the account.

### **Sub-Advisor's Fees**

Sub-Advisors managing client investments usually charge fees based on the assets placed under their management, and this fee is separate from Harlow's fees as detailed above. The amount of fees charged by Sub-Advisors, method of payment, and frequency of billing are disclosed in the Sub-Advisor's written disclosure documents provided in advance. These fees may be negotiable depending on the policies of the Sub-Advisors.

The Sub-Advisor's written disclosure documents disclose other charges and practices associated with the management of your investments. Examples of these charges are custodial fees, deferred sales charges, if any, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, taxes on brokerage accounts and securities transactions. Some Sub-Advisors charge a fee for mailing paper account statements. Some Sub-Advisors begin charging advisory fees upon funding an account as opposed to waiting until management begins. Harlow urges you to read the Sub-Advisor's disclosure documents and ask us if you have any questions.

Mutual funds and exchange-traded funds also charge separate management fees, which are disclosed in a mutual fund's prospectus. Harlow does not receive any of these commissions, charges, and/or fees.

Clients have the right to terminate your agreement with a Sub-Advisor without penalty within five (5) business days. Otherwise, termination of your agreement and the return of unearned prepaid fees are described in the Sub-Advisor's disclosure documents which will be provided to you on an annual basis by the Sub-Advisor

## **AEWM Program Fees**

When services are provided through AEWM, Harlow pays AEWM a percentage of fees earned by the Firm and based upon the assets managed for clients. This fee is paid to AEWM from the fees you pay to Harlow. A more detailed description of fees related to AEWM's program is located in AEWM's disclosure brochure which will be provided to you by AEWM on an annual basis.

Services provided through AEWM's managed account program are offered through a wrap fee program. If a client receives services through the wrap fee program, they will only pay fees based on assets under management and will not pay a separate commission, ticket charge, or custodian fee, for the execution of transactions in your account.

Further information pertaining to AEWM's wrap fee program is available in AEWM's Form ADV Part 2A which is provided to clients who are utilizing investments through AEWM's wrap program.

Harlow may also provide investment advisory services to participants in 401K plans. Harlow does not provide investment management services to any ERISA Plans and does not act as a Fiduciary under ERISA. Generally, fees charged to participants are based on the participant's assets under management and as follows:

- Startup to \$1 million 1.00%
- \$1 million to \$4 million 0.75%
- \$4 million to \$8 million 0.60%
- \$10 million to \$20 million 0.35%
- \$20 million up Fixed Dollar

## **Financial Planning Fees**

Financial planning services are provided at no extra charge as part of ongoing investment management engagements or on a stand-alone project basis for a \$5,000 flat fee billed in advance. Should a client terminate a stand-alone financial planning project engagement before completion, fees will be prorated based on the amount of work completed and any unearned fee paid in advance will be refunded.

## **Insurance**

Employees of Harlow may recommend and sell annuities and will receive the usual and customary commissions for these annuities, which are separate from any advisory fees charged to a client by Harlow.

While Financial Advisors of Harlow, as part of their Fiduciary Duty, endeavor to put the best interests of clients first, compensation received from the sale of annuities creates a conflict of interest when making recommendations. As a result, Financial Advisors of Harlow are required to disclose this conflict of interest when such recommendations are made.

## **Item 6 – Performance Based Fees and Side by Side Management**

Harlow does not charge performance-based fees nor does the Firm participate in side-by-side management.

## **Item 7 – Types of Clients**

Harlow provides advisory services to individual investors, participants in 401k and profit-sharing plans, trusts, estates, and businesses. Although Harlow has a minimum account size of \$500,000, this requirement may be waived at the Firm's discretion. Additionally, Sub-Advisors recommended to a client may require a minimum account balance to open or maintain an account and/or may charge a minimum annual fee.

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

Harlow typically recommends its clients utilize the services of one or more unaffiliated investment managers ("Sub-Advisors") who offer advisory services. The Sub-Advisors invest client assets in portfolios modeled to be consistent with their investment objectives and financial needs. Clients are not obligated to accept Harlow's recommendation to use a particular Sub-Advisor(s).

To conduct analysis, Harlow may gather information from the following sources: financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, investment research software, corporate rating services, annual reports, prospectuses and

filings with the SEC, and company press releases. This list is an example of sources utilized by Harlow and is not meant to be a complete list of all sources utilized.

There are risks involved with any method of analysis that may be used.

### **Investment Strategies**

Harlow's investment advice may vary depending upon each client's specific financial situation. As such, Harlow will determine investments and allocations based upon a client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Individual client restrictions and guidelines may affect the composition of a client's portfolio.

Harlow utilizes a variety of equity and bond strategies for its clients including both passive (index strategies) and actively managed portfolios. Client allocations typically start with a core strategy composed of a number of index strategies. Based on a client's risk tolerances and objectives, Harlow may recommend a number of satellite strategies to complement their Core Allocation, which may include fixed income, dividend paying stocks, US growth equities, international equities, real estate, or structured notes

Not all strategies are appropriate for all investors and are subject to change at any time.

Harlow's strategies and investments may have unique and significant tax implications. Moreover, because of IRS regulations, custodians and broker-dealers report the cost basis of equities acquired in client accounts, defaulting to the FIFO accounting method for calculating the cost basis of investments. If this is not the correct choice for a client, the client must request your account's custodian to change the method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

For information regarding investment strategies and methods of analysis used by AEWM or Sub-Advisor's, please refer to the applicable ADV Part 2 Disclosure Brochure which is provided to you annually by AEWM and/or the Sub-Advisor.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. Harlow does not represent or guarantee that our services or methods of analysis can or will predict future results,

successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Harlow cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

**Company Risk** – When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company’s stock may be reduced.

**Equity (Stock) Market Risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**ETF, Closed-end Fund, and Mutual Fund Risk** – When investing in an ETF or mutual fund, you will bear additional expenses based on your 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. If the ETF, closed-end fund, or mutual fund fails to achieve its investment objective, the account’s investment in the fund may adversely affect its performance. Because the value of ETF shares depends on the demand in the market, your IAR may not be able to liquidate the holdings at the most optimal time, adversely affecting performance. Closed-end funds not publicly offered provide only limited liquidity to investors. And, generally, closed-end funds are not required to buy back their shares from investors upon request.

**Fixed Income Risk** – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. For some fixed-income products, investors receive set, regular payments that face the same inflation risk. Fixed income instruments purchased by a client are subject to the risk that as interest rates rise, market values of bonds decline. This results in a more pronounced effect on the securities with longer durations. Fixed income securities are also subject to reinvestment risk, which refers to the possibility an investor will be unable to reinvest cash flows (i.e., coupon payments or interest) in a new security at a rate comparable to their current rate of return.

**International Investing Risk** – International investing, especially in emerging markets, involves special risks, such as currency exchange and price fluctuations and political and economic risks

**Interval Fund Risk** – Interval funds are classified as closed-end funds, but they are distinct because the shares do not trade on the secondary market, but instead periodically the fund offers to buy back a percentage of outstanding shares at net asset value. This results in the funds being largely illiquid. There is no guarantee that investors will be able to sell their shares at any given time or in the desired amount. Additionally, repurchase is done on a pro-rata basis; therefore, there is no guarantee you can redeem the number of shares you want during a given redemption.

**Lack of Diversification Risk** – Concentrated portfolios, including portfolios with a concentration in one asset class, typically result in increased risk and volatility and decreased diversification, which could result in losses.

**Liquidity Risk** – Liquidity is how easily an asset or security can be bought or sold in the market and converted to cash. Generally, the less liquid an asset is, the greater the risk that if an investor needed to sell the asset quickly, the asset will be sold at a loss. Simple assets tend to be more liquid than complex assets. An asset tends to be more liquid if it represents a standardized product or security and there are many traders interested in making a market in that product or security.

**Management Risk** – Your investment with a registered investment adviser varies with the success and failure of its investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

**REITs and Real Estate Risk** – Real estate investment trusts (REITs) are popular investment vehicles that pay dividends to investors. The value of an investment in REITs may change in response to a change in the real estate market. REITs may subject an investment to additional risks such as decline in the value of real estate, changes in interest rates may result in lack of available mortgage funds or other capital and financing limits, extended vacancies of properties, increases in property taxes and operating expenses, and changes in zoning laws and regulations. When traded like shares of stock on exchanges, REITs can give exposure to diversified real estate holdings.

**Small- and Medium-Capitalization Companies** – Publicly traded companies are often segmented by their market capitalization—the total value of their shares in the market. Small-cap investing is often used when an investor is focused on growth opportunities. Though they historically outperform large-cap stocks, small-cap stocks are riskier. Prices of small-cap stocks are often more volatile than prices of large-cap stocks. The same can be said for some medium-cap stocks. Additionally, the risk

of bankruptcy or insolvency for smaller companies is higher than for larger companies.

**Structured Notes Risk** – Structured notes are complex instruments consisting of a bond component and an imbedded derivative. Principal-protected notes offer full principal protection, even if the market is down at the note’s maturity. Principal-at-risk notes offer no principal protection, and an investor can lose some or all of their invested principal at maturity. Additionally, structured notes lack liquidity, are not listed on securities exchanges, and you may be unable to sell the note prior to maturity. Investors who sell structured notes prior to maturity are subject to secondary market risk, including the risk of loss, as the market price may be less than the initial principal or face value. Structured notes are also subject to credit and call risks. The credit risk involves a situation where, if the issuer were to default on its payment obligations, you may not receive any amount owed under the structured note and you could lose your entire principal investment. A call risk involves the risk of losing the opportunity to receive interest payments that would have been payable had the issuer not called the note prior to its maturity.

Harlow attempts to mitigate risks through diversification across multiple asset classes, managing accounts with discipline and resisting the temptation to react to short-term market fluctuations. Harlow encourages clients to discuss any concerns you may have with the Firm.

Harlow does not represent, warrant, or imply that the services or methods of analysis employed by Harlow, or a Sub-Advisor can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market advances, corrections, or declines. Further, no guarantees of performance are offered.

Distributions are determined by the investment’s managers, are not guaranteed, and may exceed the program’s operating cash flow. The use of leverage may be used to finance distributions to investors in addition to generally accepted uses of leverage. Earnings and profits may be taxed as ordinary income rather than as capital gains, depending on several factors. There may be a lack of a public trading market that could create illiquidity and valuation complexities. Early redemption of the investment is often restrictive and may be expensive.

Issuer costs may be expensive. Alternative investments are rarely appropriate for short-term investors and even long-term investors must be willing to bear the risks of illiquidity.

**Other Risks:**

**Cybersecurity Risk** – With the increased use of technologies to conduct business, Harlow is susceptible to operational, information security, and related risks. In general, information and cyber

incidents can result from deliberate attacks or unintentional events and arise from external or internal sources. Cyber-attacks include unauthorized access to digital systems (such as through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on websites (making network services unavailable to intended users). Cyber incidents may cause disruptions and affect business operations, potentially resulting in financial losses, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. AEWB follows its security protocol in its Information Security Management System Policies in the event a cybersecurity event occurs.

**Service Provider Concentration** - Adviser, may at certain times, have a material portion of its assets exposed to the credit risk of a particular custodian. Such a concentration could magnify the risks to the Adviser of a failure of one or more of such custodians. The Adviser is also reliant upon the proper performance of duties and obligations of their respective service providers. The Adviser may be adversely impacted in a material manner if one or more of the service providers to the strategy or Adviser fail to adequately perform their functions. In addition, key activities undertaken in connection with Adviser and the Adviser’s operations may be concentrated in one or more service providers, which may expose the Adviser to risks if one or more of such service providers does not provide—or becomes incapable of providing—services in the normal course.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that may be material to your evaluation of our firm or the integrity of our management.

In July 2011, Oregon Department of Consumer and Business Services entered an order against Danny Harlow, alleging an unsuitable insurance recommendation. Mr. Harlow agreed to a small monetary fine without contesting the allegations in an effort to avoid the costs associated with a protracted administrative proceeding.



## Item 10 - Other Financial Industry Activities and Affiliations

### Sub-Advisory Services

When a client engages a Sub-Advisor recommended by the Firm, Harlow will receive compensation based on a percentage of the assets managed by the Sub-Advisor.

Other benefits Harlow receives from recommending a particular Sub-Advisor may include research-related products and tools; consulting services; access to a trading desk serving adviser participants; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client account information and activity.

Clients should be aware, however, that the receipt of compensation and other economic benefits by the Firm creates a potential conflict of interest that may directly or indirectly influence Harlow's recommendation to use a particular Sub-Advisor. While the Firm cannot eliminate this conflict of interest, Harlow is disclosing this conflict so that a client can evaluate any partiality shown in any recommendation of services. Further, clients are under no obligation to conduct business with any Sub-Advisor recommended by Harlow.

Sub-Advisor's and AEWWM provide fee collection services to Harlow for clients who use the Firm's investment management services and maintain accounts through a specific custodian. This creates a conflict of interest for Harlow, in that the fee collection service allows the Firm to avoid certain regulatory requirements involved in invoicing clients and directly debiting client accounts for fees.

Further, Harlow's relationship with certain Sub-Advisors may provide Harlow with access to certain custodian's institutional services to which Harlow may not otherwise have access. The way we address this conflict is through disclosure in this Disclosure Brochure, investment management agreement and other sources, and by recognizing that Harlow has a fiduciary duty to its clients as set forth in our Code of Ethics.

Two of Harlow's executive officers have a financial relationship in EQIS Holdings, Inc., the parent of Equis Capital Management, Inc. This relationship creates a conflict of interest when Equis Capital Management, Inc. is recommended as a Sub-Advisor or if transactions in EQIS Holdings, Inc. are recommended.

Harlow Wealth Management, Inc. addresses this conflict by:

- disclosure to clients and potential clients in this Disclosure Brochure and other disclosure

documents;

- comparing the benefits of other Sub-Advisors when considering Eqis Capital Management, Inc. as a recommendation, documenting the comparison, and then making the appropriate recommendation based on the individual needs of the client;
- performing periodic due diligence reviews of Eqis Capital Management, Inc.; and
- implementing a restricted period preventing the executive officers from selling EQIS Holdings, Inc. on a day during which any client has a pending transaction in the same security.

## **Insurance**

In addition to providing investment advisory services, Harlow is also an insurance agency. Some of the Firm's Financial Advisors are also licensed insurance agents who earn commissions and other revenue from the sale and or referral of insurance products and services. A conflict of interest exists because commissions and other revenues can create a financial incentive to recommend insurance products or services based on commissions or other revenues earned rather than a recommendation based on the clients' interests. Harlow will alert clients of the existence of this conflict of interest through this Disclosure Brochure, the investment management agreement, and elsewhere.

Harlow believes that these business activities complement and enhance the advisory services provided to clients. For example, if a client were to purchase an insurance product through Harlow, the Firm will conduct a thorough review of the specific product recommended. Harlow also conducts a "reasonable-basis suitability assessment" which includes examining the product's reputation, financial and management strength as well as the product's benefits and costs.

If a client purchases a product through another insurance agency, Harlow may not be able to provide advice regarding the product's attributes. If a client purchases insurance through Harlow, the Firm is able to monitor client's insurance contracts as needed.

Before you purchase insurance products, Harlow will explain the reasons for its recommendation and provide the client with details regarding an insurance agent's compensation. Clients are under no obligation to purchase insurance from Harlow.

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

Harlow has adopted a formal Code of Ethics. The Code of Ethics includes guidelines for ethical and professional standards of conduct for the Firm's associated persons. Harlow's goal is to protect the interests of our clients at all times and to demonstrate our commitment to our fiduciary duties of

honesty, good faith, and fair dealing. All of Harlow's Associated Persons are expected to adhere to these guidelines and formally verify this on an annual basis.

Harlow does not buy securities from or sell securities to clients on a principal basis.

### **Conflicts of Interest**

On occasion, Associated Persons of Harlow may buy or sell the same investments or securities that are recommended to clients. Harlow's Chief Compliance Officer reviews the personal transactions of our associated persons quarterly. We believe that we have adopted sufficient controls so that the personal transactions of our associated persons are consistent with advice given to clients. A copy of Harlow's Code of Ethics is available to any client or prospective clients upon request.

## **Item 12 – Brokerage Practices**

### **The Custodian and Brokers We Use**

Harlow does not maintain custody of client assets, nor do our Sub-Advisors. Instead, all client assets are required to be maintained in an account at a non-affiliated "qualified custodian," generally a broker-dealer or bank. The custodian will hold client assets in an appropriate account and will be able to buy and sell securities on your behalf.

Whether assets are managed by Harlow or a Sub-Advisor, the Firm will recommend that you use a particular custodian. Clients have the ultimate determination as to whether to use the recommended custodian. Clients will open their account by entering into an account agreement directly with the custodian. Harlow cannot open accounts for clients, however the Firm can assist clients in opening an account at whatever custodian they decide to use.

Harlow maintains relationships with Schwab, Fidelity, and Altruist.

### **How We Select Custodians and Brokers**

When recommending a custodian or broker for client accounts, Harlow considers many different factors including quality of service, types of services offered, overall capability, execution quality, competitiveness of transaction costs, availability of investment research, reputation of the firm, and financial resources, among other things. In determining the reasonableness of a broker's compensation, Harlow considers the overall cost to you relative to the benefits you receive, both

directly and indirectly, from the broker.

### **Your Brokerage and Custody Costs**

Clients receive various services directly from their custodians. For client accounts that they maintain, our custodians generally do not charge separately for custody services but instead are compensated by charging commissions or other fees on trades that they execute or trades that are executed by other brokers to and from custodial accounts. Fees applicable to our client accounts are sometimes negotiated based on the condition that our clients collectively maintain a certain level of assets at a particular custodian. Harlow feels this commitment benefits you because the overall rates you pay will be lower than they might be otherwise.

Since custodians often charge clients a fee for each trade executed by a different broker-dealer, we generally have the primary custodian execute most trades in order to minimize your trading costs.

### **Products and Services Available to Us from Brokers/Custodians**

Custodians recommended by Harlow provide the Firm and its clients with access to its institutional brokerage services like trading, custody, reporting, and related services, many of which are not typically available to retail customers. These custodians also make available various support services, some of which may help Harlow manage or administer client accounts, while others may help the Firm to manage and grow our business.

Other institutional brokerage services which benefit clients directly include access to a broad range of investment products, execution of securities transactions, and asset custody. The investment products available through our recommended custodians include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

These custodians also make available other products and services that benefit Harlow but may not directly benefit our clients or their accounts account. These products and services assist the Firm in managing and administering client accounts, and include investment research, both from custodians/brokers and from third parties. Harlow may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained by a particular custodian. In addition to investment research, custodians may also make available software and other technology that provide access to client account data, facilitates trade execution for multiple client accounts, provides pricing and other market data, facilitates payment of our fees from our clients' accounts, and assists with back-office functions, recordkeeping, and client reporting.

These custodians also offer other services intended to help the Firm manage and further develop our business. These services include educational conferences and events, consulting on technology, compliance, legal, and business needs, publications and conferences on practice management and business succession, and access to employee benefits providers, human capital consultants, and insurance providers.

The availability of these services from our custodians benefits us because we do not have to produce or purchase them. This may give Harlow an incentive to recommend that you maintain your account with a custodian based on our interests rather than yours, which is a potential conflict of interest. We believe, however, that our selection of our custodians and brokers is in the best interests of our clients, and is primarily supported by the scope, quality, and price of services provided and not the custodians' services that benefit only us.

### **Trading**

Transactions placed in an asset management account by a Sub-Advisor will be executed through their broker-dealer or custodian. In determining best execution for these transactions, the Sub-Advisor is looking at 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. While they look for competitive commission rates, they may not obtain the lowest possible commission rates for account transactions. The aggregation and allocation practices of mutual funds and third-party managers that Harlow recommends to you are disclosed in the respective mutual fund prospectuses and third-party manager disclosure documents which will be provided to you.

### **Best Execution**

Investment Advisors have an obligation to seek best execution their clients. In seeking best execution, the determinative factor is not always the lowest possible commission 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. Our Sub-Advisors will seek competitive commission rates but may not obtain the lowest possible commission rates for account transactions.

Harlow does not utilize soft dollars and does not permit directed brokerage.

Sub-Advisors used by the Firm's clients may approach the selection of brokers and custodians,

trading, and best execution differently than Harlow. For more information about the trading and best execution practices of Sub-Advisors utilized, please see copies of the Sub-Advisor's brochure which will be sent to you by the Sub-Advisor on an annual basis

## **Item 13 - Review of Accounts**

Financial Advisors conduct account reviews periodically, but at least annually, unless a client opts out of receiving a review. The frequency and level of review is determined by the complexity of a client's portfolio, changes in economic or market conditions, tax laws, and/or the client's individual situation.

Sub-Advisors monitor accounts daily for trading and rebalancing purposes.

The custodian handling your account will send you account statements at least quarterly, but usually monthly. These account statements show money balances, investment values, and transactions. Sub-Advisors may also provide performance and or general market reports.

You are encouraged to compare any reports or statements provided by Harlow, a Sub-Advisor, or Third-Party Manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact Harlow and the qualified custodian preparing the statement.

Additional information about reviews conducted or provided by Sub-Advisors may be found in the Sub-Advisor's Form ADV Part 2 Disclosure Brochure, which will be sent to you annually but the Sub-Advisor.

## **Item 14 - Client Referrals and Other Compensation**

### **Client Referrals**

Harlow may compensate clients or third parties for referrals, respectively known as testimonials and endorsements under Rule 206(4)-1 of the Investment Advisors Act (the "Marketing Rule"). Currently Harlow does not utilize paid testimonials and/or endorsements, however, should this change, the Firm will follow the conditions outlined in the Marketing Rule which provide for:

- **Disclosures of certain information.** Advisers are required to provide certain clear and prominent summary disclosures, as well as additional disclosure related to terms of compensation and material conflicts of interest.

- **Adviser oversight and compliance.** Advisers must have a reasonable basis to believe that any testimonial or endorsement complies with the requirements of the Rule. Additionally, advisers may be required to have a written agreement with any person giving a compensated testimonial or endorsement that describes the scope of the agreed upon activities and terms of compensation.
- **No disqualification.** The Rule prohibits an adviser from compensating a person, directly or indirectly, for a testimonial or endorsement if the adviser knows, or in the exercise of reasonable care should know, that the person giving the testimonial or endorsement is an ineligible person at the time of dissemination.

In some instances, Harlow may suggest the need for a client to consult with an attorney, mortgage broker or other professional and will make a recommendation to a vendor we are familiar with and that provides the necessary service. Harlow does not share in any fees paid by the client to these professionals.

### **Other Compensation**

- **Sub-Advisory Services**

When a client engages a Sub-Advisor recommended by the Firm, Harlow will share compensation with the Sub-Advisor that is based on a percentage of the assets managed by the Sub-Advisor.

Other benefits Harlow receives from recommending a particular Sub-Advisor may include research- related products and tools; consulting services; access to a trading desk serving adviser participants; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client account information and activity.

Clients should be aware, however, that the receipt of compensation and other economic benefits by the Firm creates a potential conflict of interest that may directly or indirectly influence Harlow's recommendation to use a particular Sub-Advisor. While the Firm cannot eliminate this conflict of interest, Harlow is disclosing this conflict so that a client can evaluate any partiality shown in any recommendation of services. Further, clients are under no obligation to conduct business with any Sub-Advisor recommended by Harlow.

Sub-Advisor's and AEWB provide fee collection services to Harlow for clients who use the

Firm's investment management services and maintain accounts through a specific custodian. This creates a conflict of interest for Harlow, in that the fee collection service allows the Firm to avoid certain regulatory requirements involved in invoicing clients and directly debiting client accounts for fees.

Further, Harlow's relationship with certain Sub-Advisors may provide Harlow with access to certain custodian's institutional services to which we may not otherwise have access. The way we address this conflict is through disclosure in this Disclosure Brochure, investment management agreement and other sources, and by recognizing that Harlow has a fiduciary duty to its clients as set forth in our Code of Ethics.

- **Insurance**

In addition to providing investment advisory services, Harlow is also an insurance agency. The Firm's representatives are also licensed insurance agents who earn commissions and other revenue from the sale and or referral of insurance products and services. A conflict of interest exists because commissions and other revenues can create a financial incentive to recommend insurance products or services based on commissions or other revenues earned rather than a recommendation based on the clients' interests. Harlow will alert clients of the existence of this conflict of interest through this Disclosure Brochure, the investment management agreement, and elsewhere.

Harlow believes that its business activities complement and enhance the advisory services provided to clients. For example, if a client were to purchase an insurance product through Harlow, the Firm will conduct a thorough review of the specific product recommended. Harlow also conducts a "reasonable-basis suitability assessment" which includes examining the product's reputation, financial and management strength as well as the product's benefits and costs.

If a client purchases a product through another insurance agency, Harlow may not be able to provide advice regarding the product's attributes. If a client purchases insurance through Harlow, the Firm is able to monitor client's insurance contracts as needed.

Before you purchase insurance products, Harlow will explain the reasons for its recommendation and provide the client with details regarding an insurance agent's compensation. Clients are under no obligation to purchase insurance or avail yourself of Harlow's tax consultations.



- **Sales Incentive Plan**

Harlow participates in a sales incentive plan, sponsored by Advisors Excel who serves as an FMO. Pursuant to this plan, Financial Advisors are eligible to qualify for networking and business trips based on a combination of the sale of insurance products through AE and the value of securities that are managed by AEW. The methodology used to calculate this is weighted in favor of insurance products. As a result, your IAR is incentivized to recommend insurance products

- **Egis Capital**

Two of Harlow's executive officers have a financial relationship in EQIS Holdings, Inc., the parent of Egis Capital Management, Inc. This relationship creates a conflict of interest when Egis Capital Management, Inc. is recommended as a Sub-Advisor or if transactions in EQIS Holdings, Inc. are recommended.

**Harlow** addresses this conflict by:

- disclosure to clients and potential clients in this Disclosure Brochure and other disclosure documents;
- comparing the benefits of other Sub-Advisors when considering Egis Capital Management, Inc. as a recommendation, documenting the comparison, and then making the appropriate recommendation based on the individual needs of the client;
- performing periodic due diligence reviews of Egis Capital Management, Inc.; and
- implementing a restricted period preventing the executive officers from selling EQIS Holdings, Inc. on a day during which any client has a pending transaction in the same security.

## **Item 15 - Custody**

Harlow requires that clients' assets be held by a qualified custodian. Although Harlow does not hold assets, the Firm may have limited ability in some instances to trade on your behalf, to deduct our advisory fees from your account with your authorization, or to request disbursements to you or outside parties (although various types of written authorizations are required depending on the type of disbursements). These factors may cause the Firm to have custody of your account.

Clients will receive account statements directly from their custodian at least quarterly, which will be

sent to the email or postal mailing address provided. Clients are urged clients to carefully review their custodial statements and compare them to any account reports that we might provide.

### **SLOAs**

The SEC issued clarification of Rule 206(4)-2 and deemed investment adviser as having custody if the investment adviser has limited authorization to instruct the client custodian to move clients' money, with or without client prior oral authorization, to a third-party account designated by the client on the Standing Letter of Authorization (SLOA). The SEC granted relief to investment advisers from annual surprise accounting exams if the Adviser complies with the following criteria:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Harlow's clients utilize SLOAs. While the firm is deemed to have custody of these assets, the Firm is not required to undergo a surprise accounting exam.

## **Item 16 - Investment Discretion**

### **Investment Management Services**

Harlow requests that clients allow the Firm discretionary authority to manage their accounts and, in some cases, to select Sub-Advisors and Model Managers on behalf of clients. Harlow may in its sole discretion, accept non-discretionary accounts in certain instances.

When granted discretionary authority Harlow can determine which securities and the amounts that are bought or sold and may delegate such authority to Sub-Advisors, AEW, or Model Managers. Any discretionary authority accepted is subject to the client's risk profile and investment objectives and may be limited by any other limitations provided by the client in writing.

Harlow will not exercise any discretionary authority until it has been given authority to do so in writing. Such authority is granted in the written agreement between Harlow and the client, and in the written agreement with the applicable third-party custodian. Sub-Advisors and Model Managers may also require separate written authorizations.

When managing non-discretionary accounts, Harlow does not have the authority to make trade decisions without a client's consent and will only make trades on clients' behalf when directed to do so.

## **Item 17 - Voting Client Securities**

Harlow does not accept authority to vote proxies on behalf of clients. Custodians will send proxies or other solicitations about securities owned directly to the client. Clients retain the responsibility for voting proxies for any and all securities maintained in their portfolios. Harlow may provide advice to clients regarding the voting of proxies, however, clients are under no obligation to take any advice provided by Harlow.

Sub-Advisors used by the Firm's clients may approach proxies differently. Information about a Sub-Advisors' proxy policy is available in the Sub-Advisor's brochure which is provided to clients annually by the Sub-Advisor.

## **Item 18 - Financial Information**

Registered investment advisers are required in some cases to provide certain financial information and or disclosures about their financial condition. For example, if the Firm requires prepayment of fees for six months in advance, has custody of client funds, or has a condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, it must provide financial information and make disclosures.

Harlow does not require or accept payment of more than \$500 in fees six months or more in advance. Therefore, Harlow is not required to include a balance sheet with this disclosure brochure.

Harlow has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of bankruptcy proceedings.