INVESTMENT ADVISORY SERVICE

YOUR FINANCIAL FUTURE IN SAFE HANDS

HARVEST
FINANCIAL SERVICES

OUR APPROACH TO ADVISING YOU

Every investor's needs and circumstances are different. Getting to know our clients is the first step of our process. Our advisor's ability to provide advice suitable to our client's circumstances is dependent on our knowledge of their financial position, investment needs and objectives, attitude to risk, liquidity needs, importance of capital security, capacity for loss, etc.

We are conservative in our investment approach and believe strongly in our clients diversifying their investments across all important asset classes. Balancing risk and reward is very important when planning for your financial future. We work closely with you to see where you are now and where you want to be in the short, medium and long-term.

Our Investment Department is core to ensuring an unbiased view of product providers and their funds that are considered for inclusion on our list of recommended funds. They undertake a stringent due diligence process before a fund can be added to our list, which includes face to face meetings with the fund managers and a detailed analysis of historic performance.

Our Investment Advisory Service provides you with active guidance through the process of idea evaluation, identification of the right solutions for your unique profile and implementation of your investment plan.

Key features of our Investment Advisory Service

- Our advisor will help you understand your risk profile and will identify your investment objectives with you.
- Our advisor works closely with you in identifying investment solutions tailored to your unique needs and goals.
- You will be notified of new market opportunities and gain access to quality investment ideas.
- Our advisor will periodically review your investments with you in the context of market developments, your investment plan and any notified changes to your investment objectives.

If your investment objective is to achieve fund growth over the medium to long term, our advisor will consider our **5 Investment Pillars** before advising you.

1

Time Horizon Exposure to Risk
Funds (e.g. equities, property) require a time horizon of 5 years minimum. This allows for market cycles to run their course.

2

Asset Allocation/ Diversification
It is important to achieve appropriate balance between the important asset classes. The process of determining which mix of assets to hold in your portfolio is a very personal one.

3

Differentiate between Cyclical and Permanent Losses
Given time, cyclical losses should recover their value e.g. diversified equities. Permanent losses on the other hand are losses that will not recover their original value e.g. a single stock of equity.

4

80:20 Rule
It is important that at least 80% of your portfolio is invested in diversified liquid assets and does not involve gearing. The corollary is that a maximum of 20% of the portfolio should run the risk of permanent loss.

5

Income Focus
We encourage all clients to build in an income focus to their portfolio. Income is a real measure of value and can offer significant compensation during volatile times.

ESTABLISHED PROCESS DESIGNED TO ACHIEVE OPTIMUM RESULTS

We have developed a four-step process designed to arrive at a portfolio recommendation that meets your investment needs and objectives.

1 Investor profiling and goal setting:

Our first step is to ensure we understand your financial position, investment needs and objectives, attitude to risk, liquidity needs, importance of capital security, capacity for loss, etc.;

2 Recommendations for the portfolio:

Based on an assessment and analysis of the information you provide, our advisor will consider our 5 Investment Pillars before recommending investments from our list of recommended funds which will be designed to optimise the investment returns in your portfolio;

3 Agreement and implementation:

Our advisor can help you select the most suitable investments for you where a number of options are available. Prior to any formal investments taking place our advisor will provide you with a detailed suitability letter taking into account the information you provided and outlining why the investments are suitable for you; and

4 Ongoing review:

You will be kept informed of the performance of your portfolio and our advisor will make further recommendations as appropriate from time to time.

Asset Allocation

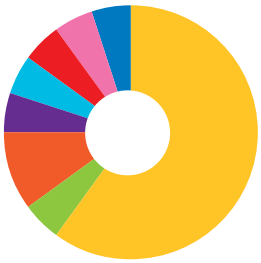
Deciding on what proportion of your portfolio is invested in each of the asset classes is known as asset allocation. It is a critical element of portfolio building and is one of our 5 Investment Pillars. The recommended ranges for the four primary risk categories of investor are:

VERY CAUTIOUS

CAUTIOUS

BALANCED

AGGRESSIVE



Important Asset Classes	Very Cautious	Cautious	Balanced	Aggressive
Equities	0% to 15%	15% to 40%	30% to 60%	50% to 80%
Bonds	15% to 40%	15% to 40%	10% to 25%	5% to 15%
Property	0% to 15%	10% to 20%	15% to 30%	0% to 10%
Commodities	0% to 5%	0% to 5%	0% to 5%	0% to 10%
Private Equity	0% to 5%	0% to 5%	0% to 10%	0% to 15%
Absolute Return Funds	15% to 25%	15% to 25%	10% to 20%	5% to 15%
Other Investments	0% to 10%	0% to 20%	0% to 10%	0% to 10%
Low Volatility Funds*	30% to 40%	10% to 25%	5% to 15%	0% to 10%
Cash	20% to 30%	10% to 25%	5% to 10%	5% to 10%

* We would consider certain Low Volatility Funds as a proxy for cash.

ASSET CLASSES

We have decades of in-house investment expertise and a thorough understanding of the important asset classes which can be summarised as follows:

Equities:

Equities refers to shares of companies which are quoted on a stock exchange. This asset class will represent the single most important asset class for most investors. While equity markets move in unpredictable cycles and can go through highly volatile phases, they have consistently delivered strong returns to investors over the long term. We recommend investors seek exposure to equities via pooled structures rather than direct shares;

Bonds:

Bonds are issued by governments, public sector bodies and companies and the vast bulk are essentially loans offering fixed rates of interest and predetermined maturity dates. While bonds have traditionally been viewed as low risk, this is not necessarily the case and the level of risk is down to the financial strength of the issuer. As with equities, we favour pooled structures over direct bond purchases;

Property:

Property is an important asset class which has delivered very attractive returns to investors over the longer term. There is a very wide range of options available to investors seeking exposure to property but investors should be aware of the additional risks associated with liquidity and gearing in relation to this asset class;

Commodities:

The term commodities refers to a wide range of items from oil to base metals (iron ore, copper, zinc, etc.) to food materials (wheat, soya, pork bellies, etc.). Commodity prices can be very volatile and as a result can be high risk for investors not familiar with the underlying markets;

Private Equity:

Private equity refers to investment in companies not listed on a stock exchange. Unlisted shares and funds are generally seen as high risk due to poor liquidity and the commercial uncertainties associated with smaller businesses;

Absolute Return Funds:

Absolute return refers to returns that are independent of the direction of the underlying markets in which the funds are investing. Through exposure to the right funds, investors can achieve a more stable lower risk return than might be achieved via the more traditional asset classes;

Other Investments:

This is a catch-all title which includes investments like precious metals (gold, silver, platinum, etc.), currencies, renewable energy, forestry as well as lower risk options such as structured products. Each of these alternative asset classes will have particular characteristics which should be carefully appraised prior to investing; and

Cash:

Cash is currently generating a very low return, certain highly liquid low volatility funds can be used as a cash proxy for a proportion of the portfolio which might more usually be allocated to cash. For liquidity purposes, as well as for risk management reasons, cash will always form a part of any investment portfolio.

Warning: Past performance is not a reliable indication of future results.

RISK RATINGS TABLE

In Harvest, we pay a lot of attention to risk and we like our clients as far as possible to understand the risks associated with every investment they make. We put particular emphasis on helping our clients to appreciate the difference between exposing their portfolios to risk of permanent loss (as can arise with geared investments) and risk of cyclical loss (from normal market fluctuations). Our advisors consider risk and loss, which are two of our 5 Investment Pillars before advising you.

Our Investment Director allocates each investment on our list of recommended funds a risk rating based on its volatility. For risk levels 1-7, the ratings correspond very closely with the official European Securities and Markets Authority (ESMA ratings but we also allow for three higher risk categories which fall outside the ESMA universe. These risk ratings are provided as a guide to help you make informed investment decisions. All investment decisions should be made within the context of your investment needs and objectives with an appropriate diversification of assets.

Rank	Description	Annual Return (1)	Volatility Range (2)	Examples (3)
1	Lowest Risk	1%	0% to 0.5%	German Bunds held to maturity, bank deposits
2	Lower Risk	1%	0.5% to 2%	Cash Funds
3	Low Risk	4%	2% to 5%	Low Volatility Funds
4	Low to Medium Risk	5%	5% to 10%	Absolute return funds, sovereign bond funds, ungeared property funds
5	Medium Risk	7%	10% to 15%	Equity Funds, EM Bond Funds
6	Medium to High Risk	8%	15% to 25%	Geared Property, Em Equity Funds
7	High Risk	9%	25% to 35%	Direct equities, Emerging market funds, Non-recourse geared property, Pooled commodities
8	Higher Risk	10%	35% to 45%	Development Property
9	Very High Risk	15%	45% to 60%	Private equity, Individual commodities
10	Highest Risk	25%	60% +	Futures, Recourse geared property

1. Expected average annual rates of return, over a period of 5 years or more.
2. Expected volatility ranges over 3-5 year periods. In extreme markets, returns may be outside the range indicated.
3. Examples shown are for indicative purposes only. Investments should be assessed on their own specific features while also taking account of the ESMA ratings assigned by the product providers.

Warnings: These figures refer to simulated past performance. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up. The return may increase or decrease as a result of currency fluctuation.

LET OUR EXPERTISE SECURE YOUR FINANCIAL FUTURE

Established in 1993, Harvest has grown to be one of Ireland's leading financial advisory firms. Our team is comprised of more than 50 professionals and we administer approximately €1 billion in retirement assets, personal and corporate funds on behalf of our clients (figure correct as at May 2018).

Our Investment Department incorporate a mix of stockbroking, banking and property market backgrounds with a level of expertise across all of the important asset classes.

Terry Devitt - Investment Director

Terry heads up our Investment Committee which compiles our list of recommended funds from Irish and international fund managers. Terry spent his early years working as an economic advisor in the public sector spending time in two Government departments. He joined NCB Stockbrokers in the mid 1980s where he worked as an investment analyst. In 1994 he left NCB Stockbrokers to join Harvest.

Appropriate advice delivering you long term results

The basics of investing never changes - it always comes down to risk and reward. At Harvest we want to tilt the balance of risk and reward in your favour through appropriate advice and strategic thinking.

No matter what stage in life you are at, our team of seasoned professional advisors will tailor an asset allocation for your portfolio that optimises investment returns by seeking the highest possible return for the level of risk that you are willing to take. Our advisor's experience and insight will guide you through the maze of investment options from our continuously updating list of recommended funds.

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The LPI Awards
Investment Broker of the Year 2018.

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