

Item 1: Cover Page

Beanstox Inc.

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Form ADV Part 2A
Wrap Fee Program Brochure

March 28, 2019

This Wrap Fee Program brochure provides information about the qualifications and business practices of Beanstox Inc. (hereinafter “Beanstox”), a registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that Beanstox has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission. If you have any questions about the contents of this brochure, please contact us at email@Beanstox.com or at (617) 878-2102. 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 Beanstox is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Summary of Material Changes

The original Wrap Fee Program brochure was filed March 29, 2018.

Except for this Annual update, no other updates have been filed since March 29, 2018. Among other changes, this Annual Update reflects changes in the Wrap Fee Program Description and Investment Strategy.

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Item 4: Services, Fees and Compensation

General Information

Beanstox Inc. (“Beanstox”), a corporation organized under the laws of Delaware, is a provider of Internet-based automated investment service. Beanstox is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser and maintains its principal office at 1010 Sherbrooke Street West, Suite 2105, Montreal, Quebec H3A 2R7 Canada. If you have any questions regarding the material contained herein, please contact Beanstox via email at email@Beanstox.com or via telephone at (617) 878-2102. All currency amounts set forth in this Brochure or on the Beanstox website are in US dollars.

Program Description

Beanstox offers a service (“Wrap Fee Program” or the “Program”) that enables U.S. domestic investors and international investors (the “Clients”) an easy way to invest in United States equity and bond markets through Exchange Traded Funds (“ETFs”), using the Beanstox internet-based mobile application (the “Beanstox App”) to access the Beanstox automated investment service. This Wrap Fee Brochure provides information to help you understand the services offered by Beanstox and whether those services are right for you.

Our investment process includes evaluating each Client’s investment goals and risk tolerance, then applying our quantitative method to develop (i) a proposed portfolio asset mix, followed by (ii) building the proposed portfolio using ETFs (the “Proposed Portfolio”). Once the Proposed Portfolio is identified, the Client has approved the Proposed Portfolio, and the Client’s account is funded, appropriate orders are placed with the broker-dealer selected by Beanstox to execute the related Proposed Portfolio transactions. The Client can only approve or refuse the Proposed Portfolio and cannot make modifications to a Proposed Portfolio. The Client can revise their responses regarding investment goals and risk tolerance, which may generate adjustments to the Proposed Portfolio.

Beanstox will generally aim to initiate all trade orders in a timely manner, however Clients should be aware that at times order execution may be delayed either due to market conditions or to permit bundling of trades in order to achieve scale and cost efficiencies. Under these instances, Beanstox reserves the right to delay trade executions at its discretion.

Beanstox primarily relies on the internet-based mobile application to interact with Clients. Investments will be denominated primarily in USD for simplicity and ease of understanding by Clients. Beanstox enables cost-effective money transfers by Clients using ACH transfers from the bank accounts selected by Clients.

Asset Selection

The Beanstox Wrap Fee Program and automated investment service provide Clients with a Proposed Portfolio built using ETFs. Beanstox selects ETFs for each asset class comprising the Proposed Portfolio, using selection criteria for each ETF including the ETF portfolio definition, diversification, trading liquidity, and cost. The asset classes considered for a Proposed Portfolio include U.S. equities (e.g. large

cap, technology, value and growth), International Equities, Emerging Markets and Fixed Income (e.g. treasury and municipal bonds and corporate bonds).

Risk selection

The ETFs selected by Beanstox for a Proposed Portfolio may change from time to time due to market conditions and other reasons, in which case Beanstox may divest Clients of some ETFs and reinvest in the new ETFs which were selected as replacements.

Investment Strategy

Beanstox develops model portfolios (the “Model Portfolios”) which are designed to address investors’ various risk profiles. In developing the Model Portfolios, Beanstox identifies what it believes to be (i) appropriate asset classes, (ii) efficient securities to represent these asset classes, and (iii) appropriate allocations within each asset class for each risk level to provide Clients with access to cost-effective professional portfolio management services. The Beanstox investment strategy includes evaluating Clients’ investment goals and risk tolerance based on information provided by each Client. Generally, Clients with lower risk tolerance will be offered a Proposed Portfolio from the various Model Portfolios with lower risk profiles and lower expected returns. Clients expressing a set of short, medium, and long-term goals, will be provided a Proposed Portfolio that combines a set of Model Portfolios developed by Beanstox.

Risk Considerations

Clients must understand that investing in securities involves risk and the possibility of financial loss that can be caused by various factors, including changes in economic and market conditions. Beanstox does not guarantee that Clients will avoid loss in the value of their investments nor guarantee any level of investment income or performance.

Program Fees

Beanstox provides access to an automated investment service, accessible using the Beanstox mobile investment application, for (i) a monthly subscription fee of \$4.99/month and (ii) an annual fee of 0.25% on the net market value of Client account balances over \$25,000. **Beanstox may apply reduced fees in connection with promotional programs and other times in its sole discretion.**

Clients will not be charged additional fees by Beanstox for costs associated with portfolio management, custody, account maintenance and trade execution (except for those fees related to foreign exchange or third-party asset fees). Clients who request special or additional services may be charged for such services. Although the fees are not negotiable, Beanstox may, at its sole discretion, waive a portion of its fees or offer fees to some accounts that differ from the standard fee schedules referenced above. A detailed description of fees can be found on our website at Beanstox.com.

Third party service providers such as broker-dealers and custodians will charge fees, including for custody, account maintenance and trade execution. Clients should consider that, depending on the amount of activity in a Client's account and the aggregate cost of custodial, trade execution, advisory,

and other services that are provided to Beanstox Clients, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately or by others.

The Beanstox subscription wrap fee will be charged monthly. The Beanstox annual asset-based wrap fees are calculated as a prorated market value of a Client's account average daily balance and charged in arrears at the end of each month. Beanstox will automatically debit applicable fees from the Client's bank account for both monthly subscription fees and the annual asset-based fees if a Client's Beanstox account has assets over \$25,000.

Fund Fees and Expenses

All fees paid to Beanstox for investment advisory services are separate and distinct from, and in addition to, the fees and expenses charged by ETFs to their shareholders. These fees and expenses are described in the prospectus of each ETF. These fees are generally composed of a management fee and other fund expenses. Beanstox does not earn or receive a portion of such fees.

Trade Execution, Account Maintenance, and Asset Custody

Clients agree to delegate to Beanstox the selection of service providers for brokerage and custody services. Beanstox has entered into an agreement with DriveWealth, LLC ("DriveWealth") to provide broker-dealer and custodial services for Beanstox Client accounts. Clients agree to authorize brokerage orders in their Beanstox accounts to be directed to DriveWealth. Beanstox does not receive payment for order flow related to these orders.

DriveWealth is ultimately responsible for trade confirmations and Client statements. Beanstox will independently confirm that the Client information found in the broker-dealer statements matches information found in Beanstox's internal database. A detailed description of fees and services provided by DriveWealth can be found at Beanstox.com.

Other Information about Beanstox's Portfolio Management

Beanstox manages all Client assets on a discretionary basis. As of December 31, 2018, Beanstox has \$0 under management. Beanstox's fees are not charged on the basis of a share of capital gains or capital appreciation of the portfolios or any portion of the assets of an advisory Client. Beanstox does not accept authority to vote Client securities.

Termination of Advisory Relationship

A Client's Advisory Agreement may be canceled at any time, by either party, for any reason, upon notice in accordance with the terms of the Advisory Agreement. Upon termination of an Advisory Agreement, any unpaid fees earned by Beanstox will be due and payable. The Client has the right to terminate an Advisory Agreement without penalty within five business days after entering into the Advisory Agreement.

Privacy Policy

Beanstox is committed to protecting our Clients' private information. Beanstox has instituted policies and procedures to ensure that customer information is kept private and secure. Beanstox does not disclose any non-public personal information about its Clients or former Clients to any non-affiliated third parties except as required by or permitted by law or agreed to by the Client or as otherwise disclosed in Beanstox's Privacy Policy. In the course of servicing a Client account, Beanstox may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and attorneys. Beanstox restricts internal access to non-public personal information to those employees who need access to such information in order to provide products or services to individual Clients. Beanstox also maintains physical, electronic, and procedural safeguards to protect Client information. A copy of the Beanstox's Privacy Policy is available on the Beanstox website at Beanstox.com.

Item 5: Account Requirements and Types of Clients

Beanstox services are available to individuals, trusts, employer-sponsored plans, and other legal entities (subject to Beanstox's approval) who are U.S. residents or Non-U.S. residents as permitted by the residents' jurisdiction. Although there is currently no minimum account size to maintain a Beanstox account, Beanstox reserves the right to set a minimum initial deposit in the future. Clients who decide to use Beanstox's automated investment service should be aware that Beanstox's relationship with Clients is likely to differ from the traditional financial advisor relationship in several respects:

1. Beanstox is a software-based automated investment service which means each Client must acknowledge having the ability and willingness to conduct a relationship with Beanstox on an electronic basis. Under the terms of an Account Opening Agreement with Beanstox (the "Account Opening Agreement"), each Client agrees to receive all account information and account documentation (including this Brochure), and any updates or changes to same, through the Beanstox mobile internet application and via electronic communications from Beanstox. Unless specifically noted otherwise by Beanstox, including on Beanstox's website and in this Brochure, all Beanstox financial advisory services and all documentation related to advisory services provided by Beanstox, including pursuant to an Advisory Services Agreement entered into electronically between the Client and Beanstox (the "Advisory Agreement"), are managed electronically. Beanstox does make individual representatives available to discuss administrative matters with Clients.
2. In order to provide financial advisory services to Clients, Beanstox collects information from each Client, including specific information about each Client's financial profile and investment objectives. Beanstox maintains this information in strict confidence subject to its Privacy Policy, which is provided by Beanstox on its mobile application and its website. **In providing financial advisory services, Beanstox relies on the accuracy of information received from each Client.** Although Beanstox may contact Clients periodically to ensure accuracy of a Client's information, each Client must promptly notify Beanstox of any change of the information previously provided by the Client to Beanstox, including information regarding such Client's financial profile and objectives that could influence portfolio allocations.

Item 6: Portfolio Manager Selection and Evaluation

Beanstox directly manages the Proposed Portfolios of each Client pursuant to the terms of such Client's Advisory Agreement.

Summary of Advisory Services

In developing Proposed Portfolios specific to each Client, Beanstox evaluates the information provided by each Client regarding such Client's investment goals and risk tolerance.

Beanstox develops model portfolios (the "Model Portfolios") which are designed to address investors' various risk profiles. In developing the Model Portfolios, Beanstox identifies what it believes to be (i) appropriate asset classes, (ii) efficient securities to represent these asset classes, and (iii) appropriate allocations within each asset class for each risk level to provide Clients with access to cost-effective professional portfolio management services.

Generally, Clients with lower risk tolerance will be offered a Proposed Portfolio from the various Model Portfolios with lower risk profiles and lower expected returns. Clients expressing a set of short, medium, and long-term goals, will be provided a Proposed Portfolio that combines a set of Model Portfolios developed by Beanstox.

Proposed Portfolios, once accepted by a Client, establish the target investment allocations. Proposed Portfolios are implemented almost entirely using ETFs, with a small amount which may remain in cash. Proposed Portfolios are adjusted periodically using cash inflows from dividends and additional Client investments, and will also be adjusted if the Proposed Portfolio allocations deviate by more than 20% from target allocations.

Once a Proposed Portfolio is accepted by a Client, and the Client's account is funded, appropriate orders are placed with the broker-dealer selected by Beanstox, to execute the related transactions.

Investment Information & Tools on Website

Beanstox provides information in the Beanstox App and on its website regarding investing, personal finance and other topics of general interest, which is designed to be educational and **not personalized advice**.

Trade Execution, Account Maintenance, and Asset Custody

Clients agree to delegate to Beanstox the selection of service providers for brokerage and custody services. Beanstox has entered into an agreement with DriveWealth, LLC ("DriveWealth"), a FINRA member broker-dealer, to provide custody, trade execution, and account maintenance for Client accounts. Clients agree to direct brokerage orders in their accounts to DriveWealth. Beanstox does not receive payment for order flow related to these orders.

DriveWealth is ultimately be responsible for trade confirmations and Client statements. Beanstox will independently confirm that the Client information found in the broker-dealer statements matches information found in Beanstox's internal database.

Item 7: Client Information Provided to Portfolio Managers

Beanstox does not share Client information with other third-party portfolio managers. Beanstox manages all Client portfolios directly.

Item 8: Client Contact with Portfolio Managers

Beanstox provides service primarily using digital communication with clients, rather than in person or telephonic communication.

Clients may contact Beanstox by email at any time at email@Beanstox.com or at (617) 878-2102 during support hours.

Item 9: Additional Information

Beanstox's Disciplinary History

Beanstox has not been subject to any disciplinary events by regulators nor is it party to any legal events that are material to Client evaluation of our advisory business.

Beanstox's Financial Industry Activities and Affiliations

None of Beanstox's management persons are registered or have an application pending to register as:

1. a broker-dealer or a registered representative of a broker-dealer,
2. a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing.

Beanstox's Code of Ethics

Beanstox maintains a code of ethics that requires all officers and employees to conduct themselves with the highest standards of honest conduct and business ethics in all aspects of their activities concerning Beanstox and Beanstox Clients. A copy of Beanstox's Code of Ethics is available to Clients and prospective Clients upon request by contacting email@Beanstox.com or (617) 878-2102.

Participation in Client Transactions and Personal Trading

Beanstox or individuals associated with Beanstox, related persons, may buy or sell for their personal accounts securities identical to or different than those recommended to Clients. In addition, related persons may have an interest or position in certain securities which may also be recommended to a Client. It is the express policy of Beanstox that no person employed by Beanstox may use material, non-public information obtained during the course of their work to purchase or sell any security prior to any pending transaction(s) being executed for a Client's account. This policy is intended to prevent employees from benefiting from transactions placed on behalf of Client accounts.

Review of Accounts

Beanstox's investment tools are intended for Clients' use in order for Clients to review their account and better understand their holdings and investment performance. Beanstox personnel conduct only limited, non-periodic individual reviews of Client accounts, when triggered by certain investment activity and account settings.

Client Referrals and Other Compensation

Beanstox may establish referral programs that provide compensation to Clients, marketers and other partners in return for recommending or referring clients to Beanstox. Clients will not be charged any costs or fees for being referred by another Client, marketer or strategic partner of Beanstox.

Financial Information

To the best of Beanstox's knowledge, Beanstox is not aware of any financial condition that is reasonably likely to impair Beanstox's ability to meet its contractual commitments to its Clients.

Termination of Client Relationship

Clients Advisory Agreements may be canceled at any time by either party upon notice, as described in the Client's Advisory Agreement.

Voting Client Securities

Beanstox does not accept authority to vote Client securities.

Services and Terms Subject to Change

All Beanstox services, policies, agreements and terms of use may be revised and updated periodically, in which case this Brochure will be updated and made available on the Beanstox website to reflect any material changes.