

## Item 1: Cover Page

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# Form ADV Part 2A Investment Adviser Brochure

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March 2024

This Brochure provides information about the qualifications and business practices of BEAM Wealth Advisors, Inc. ("we," "us," "our"). If you have any questions about the contents of this Brochure, please contact the Firm at the telephone number listed above.

Additional information about our Firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## Item 2: Summary of Material Changes

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In this Item, BEAM is required to discuss any material changes that have been made to the brochure since the last updated filing, which was dated June 2023.

BEAM has updated the brochure:

- BEAM has updated the brochure to reflect discretionary and non-discretionary assets under management as of the previous year end, December 31, 2023.
- BEAM has expanded the risk of loss section in Item 8 to review and provide more examples of types of risk that may be associated with investing.
- BEAM has updated the language regarding Item 10 regarding insurance compensation and our affiliated insurance agency.

The new date of the brochure is now March 2024.

### Important Notice

Under Rule 204-3 of the *Investment Advisers Act of 1940*, BEAM is required to annually offer or deliver to you a copy of our current Form ADV Part 2A Disclosure Brochure and provide a copy of our Summary of Material Changes since our last annual update. BEAM's Part 2A Disclosure Brochure can be viewed and printed from our website: [www.beamwealth.com](http://www.beamwealth.com).

If you would prefer to have a copy mailed to you, please contact our office at (800) 256-5221. A copy will be sent to you within seven days of contact. If you have any questions, please contact your investment adviser representative, or send an email to [disclosure@beamwealth.com](mailto:disclosure@beamwealth.com).

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## Item 4: Advisory Business

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For over 36 years, BEAM, and its predecessors, Financial and Investment Management Advisors, Inc. (dba BEAM) and Northlake Financial Advisors have served the financial needs of clients seeking personal, comprehensive financial planning and investment management services from advisors with experience. Prior to BEAM rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with BEAM setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

BEAM and its predecessors have been registered as an investment adviser with the SEC since 1985.

The Firm is owned equally by Jaime Benedetti and Bob Gucer. As of December 31, 2023, BEAM had \$ 577,438,797 of assets under management, of which \$ 556,979,871 were managed on a discretionary basis and \$ 20,458,926 were managed on a non-discretionary basis.

While this brochure generally describes the business of BEAM, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on BEAM’s behalf and is subject to the Firm’s supervision or control.

### Financial Planning and Consulting Services

BEAM offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

In performing these services, BEAM is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. BEAM may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage BEAM or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by BEAM under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising BEAM’s recommendations and/or services.

## **Investment and Wealth Management Services**

BEAM manages client investment portfolios on a discretionary basis.

BEAM primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt and equity securities, options, and independent investment managers (“Independent Managers”) in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage BEAM to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, BEAM directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company, or the custodian designated by the product’s provider.

BEAM tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. BEAM consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify BEAM if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if BEAM determines, in its sole discretion, the conditions will not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

## **Non-Discretionary Management Services**

For certain clients, BEAM manages client investment portfolios on a non-discretionary basis.

These portfolios are designed by the Client and implemented by BEAM and the IAR based on the client’s profile. The accounts will be established with Fidelity Institutional. There will be no ongoing investment advice on the accounts by the IAR. Client will retain full discretion to supervise, manage and direct the assets that may be held in the account(s). Client shall retain full power and authority of any purchase, sell, invest, reinvest, exchange, convert and trade the assets in the Account by notifying BEAM to affect such transactions.

## **Digital Services Agreement (LightBEAM\$)**

BEAM will manage client investment portfolios on a discretionary basis.

This digital service is a client-initiated, client self-serviced account. Clients will complete a profile questionnaire including onboarding questions on the digital advice platform website. BEAM will develop portfolio models for the client to choose upon entering into the service agreement. BEAM will allocate investments in the models to available non-commissionable, no-transaction fee, low-cost investment in Exchange Traded Mutual Funds (“ETFs”).

Clients are advised to promptly notify BEAM if there are changes in their client goals, objectives, and risk tolerances.

BEAM shall give preference to available non-commissionable, no-transaction fee, low-cost investments in Exchange Traded Mutual Funds (ETFs) with respect to investment vehicles in the LightBEAM\$ digital advice platform.

Through Schwab, BEAM offers an automated investment program ("LightBEAM\$") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds and mutual funds ("Funds") and a cash allocation. The client may instruct us to exclude up to three Funds from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate LightBEAM\$. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to LightBEAM\$. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of LightBEAM\$ for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for LightBEAM\$. The Platform enables us to make LightBEAM\$ available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our services as described below under Item 5 Fees and Compensation. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of LightBEAM\$. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement, (ii) investment advisory and/or administrative services fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution.

## **Retirement Plan Consulting Services**

BEAM provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing, and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning and Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by BEAM as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of BEAM’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

### **Use of Independent Managers**

As mentioned above, BEAM may select certain Independent Managers to actively manage a portion of its clients’ assets. The specific terms and conditions under which a client engages an Independent Manager will be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

BEAM evaluates a variety of information about Independent Managers, which include the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers’ investment strategies, past performance, and risk results in relation to its clients’ individual portfolio allocations and risk exposure. BEAM also takes into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

BEAM continues to provide services relative to the discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. BEAM seeks to ensure the Independent Managers’ strategies and target allocations remain aligned with its clients’ investment objectives and overall best interests.

### **Accounts Held Away**

BEAM provides an additional service for accounts not directly held in our custody, but where we do have discretion, and may leverage an Order Management System to implement tax-efficient asset allocation and opportunistic rebalancing strategies on behalf of our client. These are primarily 401(k) accounts, HSA’s, and other assets we do not custody. We regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way we do other accounts, though using different tools as necessary.

## **Item 5: Fees and Compensation**

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BEAM offers services on a fee basis, which may include fixed and/or hourly fees, as well as fees based upon assets under management or advisement. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, may offer securities brokerage services and/or insurance products under a separate commission-based arrangement.

### **Financial Planning and Consulting Services**

BEAM generally charges a fixed and/or hourly fee for providing financial planning and consulting services. These fees are negotiable, but generally range from \$1,000 to \$10,000 on a fixed fee basis and/or from \$100 to \$400 on an hourly basis, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, BEAM may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and BEAM generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

### **Investment Management Fees**

BEAM offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee generally varies, depending upon the size and composition of a client's portfolio and the type of services rendered. Generally, fees range from less than 1% annually to no more than 3% annually. The advisory account Minimum Platform Service Fee (MPSF) is \$50 annually per advisory account. The per account MPSF may be waived on a single account(s) provided aggregate MPSF fee for the immediate client family household meets the MPSF of \$50 annually per account on an aggregate basis. For example, one household account could cover the MPSF provided the Platform Service Fee is enough in aggregate to meet the minimums for all accounts in the household. The specific fee charged for investment management services is prominently disclosed in the engagement agreement for the client specific investment management plan the client chooses to implement.

The annual fee is prorated and charged quarterly, in arrears or in advance, based upon the method selected in the investment advisory agreement and the market value of the assets being managed by BEAM or the IAR on the last day of the billing period.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.



## **Non-Discretionary Management Services**

BEAM offers non-discretionary management services for an annual fee based on the amount of assets under the Firm's management. This management fee is comprised of the Annual Account Service Fee plus the IAR Non-discretionary management fee as indicated in the agreement. Fees for this account will be less than 1% annually. In addition to the annual fee, each advisory account will be assessed an administrative fee of \$12.50 per quarter (\$50 annually).

The annual fee is prorated and charged quarterly, in arrears or in advance, based upon the method selected in the non-discretionary investment advisory agreement and the market value of the assets under this agreement being managed by BEAM or the IAR on the last day of the billing period.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

## **Digital Services Agreement Fees (LightBEAM\$)**

BEAM offers investment management services on a web-based digital service platform for an annual fee based on the amount of assets on the digital services platform. This management fee generally varies, depending upon the size of a client's portfolio. Generally, fees range from less than 1% annually to no more than 3% annually. The annual LightBEAM\$ Program fee is 15 bps per account. The specific fee charged for the program is prominently disclosed in the digital services agreement.

The annual fee is prorated and charged quarterly, in advance, applied to the total market value of the Account at the end of the last market day each calendar quarter. The Quarterly Fee is comprised of the LightBEAM\$ Digital Advice Platform Service Fee plus the IAR Asset Management fee indicated in the agreement.

Should funds be deposited or withdrawn during the quarter, prior to the end, or after the beginning of the quarter, the calculation for the Quarterly Fee shall be prorated. The Client hereby authorizes BEAM to withdraw, without additional approval, authorization, or communication, the Quarterly Fee directly from the Account.

In the event the digital services agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion of the fee is refunded to the client, as appropriate. In the event of termination, the former client's account(s) will no longer be available on the LightBEAM\$ digital advice platform and access through the platform will be terminated.

As described in Item 4 Advisory Business, clients do not pay fees to SPT or brokerage commissions or other fees to CS & Co. as part of LightBEAM\$. Brokerage arrangements are further described in Item 12 Brokerage Practices.

## **Retirement Plan Consulting Fees**

BEAM generally charges a fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to

accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered.

### **Accounts Held Away**

For accounts held away, the investment management fee generally varies, depending upon the size and composition of a client's portfolio and the type of services rendered. Generally, fees range from less than 1% annually to no more than 3% annually. This fee will be assessed and billed quarterly based on the account value at the end of the quarter. The Advisory Fee payable for any Held Away Account will be deducted directly from another Client Account, and if there are insufficient funds available in another Client Account or the Advisor believes that deducting the Advisory Fee from another Client Account would be prohibited by applicable law, it will invoice the Client. In the event the advisory agreement is terminated, there will be no return of fees as this fee is charged in arrears.

### **Fee Discretion**

BEAM may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to BEAM, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

BEAM and your IAR do not retain 12b-1 fees paid by funds for either qualified or non-qualified accounts. All 12b-1 fees on accounts are retained by the custodian, Schwab and/or Fidelity. For accounts that are traded with No-Transaction Fee (NTF) mutual funds and/or (NTF) exchange traded mutual funds, any 12b-1 fee is paid to the custodian in lieu of the client paying transaction or trading costs. Where a fund participates in the NTF platform and doesn't have a 12b-1 fee, the custodians generally receive a portion of the fund management or administrative fee. The participation of funds in the NTF platform does not increase the cost of the same share class of the fund to the client. Funds that do not participate in the custodian's NTF platform may have lower expense ratios, which may result in a lower annual cost to the client, however, they generally incur transaction fees and trading costs.

### **Direct Fee Debit**

Clients generally provide BEAM and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not

less than quarterly detailing all account transactions, including any amounts paid to BEAM. Alternatively, clients can elect to have BEAM send a separate invoice for direct payment.

### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to BEAM's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to BEAM, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. BEAM may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

### **Commissions and Sales Charges for Recommendations of Securities**

Clients can engage certain persons associated with BEAM (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with BEAM. Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission-based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. BEAM may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that BEAM recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that BEAM, in its sole discretion, deems appropriate, BEAM may provide its investment advisory services on a fee-offset basis. In this scenario, BEAM may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of PKS.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

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BEAM does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7: Types of Clients

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BEAM offers services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities.

### **Minimum Account Requirements**

BEAM may impose minimum account requirements for starting and maintaining an investment management relationship. BEAM has a minimum size account requirement of \$75,000 per account (can be aggregated, see below). BEAM imposes a Minimum Platform Service Fee (MPSF) of \$50 annually or \$12.50 per quarter (see Investment Management Fees on page 7.). The Firm, in its sole discretion, may reduce or waive its minimum account requirements based upon certain criteria. BEAM may aggregate the portfolios of immediate family members living in one household to meet the minimum portfolio size. For example, a household with three accounts, one at \$5,000, another at \$10,000 and a third at \$525,000 would generally meet the minimum ( $\$5,000 + \$10,000 + \$525,000 = \$540,000 / 3 = \$180,000$ ).

Clients eligible to enroll in LightBEAM\$ include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for LightBEAM\$.

There is no minimum account fee on the LightBEAM\$ platform; however, the minimum account size is \$5,000. Should the account balance in any LightBEAM\$ account drop below the \$5,000 minimum account size, BEAM reserves the right to terminate advisory services. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

For the non-discretionary management accounts, there is no minimum account size requirement.

In addition, certain Independent Managers may impose more restrictive account requirements and billing practices from the Firm. In these instances, BEAM may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

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

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### **Methods of Analysis**

The Firm endeavors to keep abreast of the general and macroeconomic business conditions, changes in the law, taxation, and various investment and insurance products relevant to its clients. To this end, BEAM reviews business publications, seminars, webinars, economic services, tax services, journals, historical data, computer models, and research materials. These can be prepared by parties other than BEAM, for example, corporate rating services, inspections of corporate and business activities, the research of economists and other materials relevant to BEAM services. In addition, the Firm has access and subscribes to a collection of research and commentary from various economists and market strategists. While BEAM relies on other services and sources, BEAM cannot guarantee their accuracy.

In consideration of the breadth, complexity, and speed at which information and rules can change, the Firm seeks to stay abreast of nuances as reasonably as possible.

### **Investment Strategies**

As with most all investments, there is a tradeoff between the risk of a portfolio and its expected return. With this in mind, many types of investment portfolios are considered and utilized by the Firm. In practice, the main strategies include “asset allocation” and “diversification” based on Modern Portfolio Theory and Post-Modern Portfolio Theory, considering behavioral finance.

The Firm has a sliding scale of asset allocation portfolios based on risk (volatility), expected return, and account type. Allocating resources to different classes of financial assets, such as stocks, bonds, cash, sectors, real estate, and commodities, among others, along with each asset segment’s subdivisions, can generally result in diversification. Diversification can potentially lower certain risks and volatility as different assets can react differently under various environments. Utilizing these strategies, the Firm strives to have a lot of eggs, in a lot of different baskets.

Asset allocation portfolios generally utilize historical data to seek to predict an expected risk and expected return of a particular portfolio, however, portfolios are constructed with an eye to the future. Licensed software providers assist BEAM in this process. Specific assets within an asset allocation portfolio are generally selected with the objective of potentially increasing long-term total return given the amount of risk taken, commensurate to a client’s specific profile, as determined in conjunction with the client’s adviser. The Firm’s goal with its investment strategy is to strive to exceed the expected return of the asset classes and asset mix utilized, as this would add value for its clients. Nevertheless, past results and expected returns are not a guarantee of the future, and actual returns. Accounts managed using the principals of asset allocation and diversification are not guaranteed and may lose value.

Overall, as part of its supervisory responsibilities, the Firm requires its advisers to operate generally under the key tenets of Modern Portfolio Theory which include asset allocation and diversification, or a method of management that is sufficiently described and understood by the Firm. Investment strategies and portfolios may differ from adviser to adviser, and from client to client, and there is a risk of adverse consequences due to each adviser’s investment strategy. Each client brings different beliefs and notions to their relationship with BEAM, and BEAM is sensitive to client needs. Specific client account allocations are determined according to a client’s risk tolerance profile. As a result, there may be a departure from some or many of the tenets of Modern Portfolio Theory for a

client. Please note, the Firm reserves the right to use discretion in determining whether to work with clients that may not be a good fit, due to investing temperament, among other factors.

Certain advisers may employ the following strategies/techniques in the management of your portfolio(s):

- Market Timing
- Sector Rotation
- Concentrated Positions

Market timing is the strategy of making buy or sell decisions of financial assets by attempting to predict future market price movements. The prediction may be based on an outlook of market or economic conditions resulting from technical or fundamental analysis. This is an investment strategy based on the outlook for an aggregate market, rather than for a particular financial asset. The risks include but are not limited to the potential for diminished long-term performance, and the potential for loss or decline in investment value that could result from the difficulty in predicting market movement.

Sector rotation is a strategy based on moving investments across business sectors to take advantage of cyclical trends in the overall economy. Sector rotation can be prompted by fundamental changes in the economy or within specific industries, or it can be part of a systematic investment strategy that follows cyclical or seasonal price patterns. The risks include but are not limited to the potential for diminished long-term performance in any one sector, the potential for loss or decline in investment value that could result from the difficulty in predicting sector movement.

A Concentrated Position occurs when an investor owns shares of a single security, single type of security or security invested in a specific sector that represents a large percentage of his or her overall portfolio. The risks include but are not limited to market risk of not being diversified, as well as business risks that can be affected by changes in consumer preferences, ineffective management, law changes or new competition to name a few. As such, the risks can potentially cause the loss or decline in investment value.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

**All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Although we manage assets in a manner consistent with your investment objectives and risk tolerance, there can be no guarantee that our efforts will be successful. You should be prepared to bear the following risk of loss:**

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties (i.e., Non-traded REITs and other alternative investments) are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Cybersecurity Risk:** A breach in cyber security refers to both intentional and unintentional events that may cause an account to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause an account to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, and/or financial loss.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Custodial Risk:** This risk is the probability that a party to a transaction will be unable or unwilling to fulfill its contractual obligations either due to technological errors, control failures, malfeasance, or potential regulatory liabilities.

### ***Mutual Funds and ETFs***

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event, they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders' fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.



Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### ***Use of Independent Managers***

As stated above, BEAM may select certain Independent Managers to manage a portion of its clients' assets. In these situations, BEAM continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, BEAM generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

### ***Real Estate Investment Trusts (REITs)***

BEAM may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity, and counter-party risk.

### ***Exchange-Traded Notes (ETNs)***

BEAM may recommend an investment in, or allocate assets among, various exchange-traded notes ("ETNs"). ETNs are unsecured debt securities which are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETNs are designed to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of the underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject to various counter-party concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer's credit rating and/or an unwillingness or inability of the issuer to perform its contractual obligations.

### ***Option Contracts***

BEAM may recommend an investment in or allocate assets in option contracts. Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

## **Item 9: Disciplinary Information**

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BEAM has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## Item 10: Other Financial Industry Activities and Affiliations

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This item requires investment advisers to disclose certain financial industry activities and affiliations. The Firm does not have any other financial industry activities or affiliations that need to be disclosed.

### **Other Registered Investment Advisory Firm**

The Owners of BEAM, Jaime Benedetti and Bob Gucer, are also owners of another investment advisory firm, Benedetti, Gucer & Associates (“BGA”). In addition to Jaime Benedetti and Bob Gucer, certain supervised individuals may be dually registered with both firms.

### **Registered Representatives of a Broker/Dealer**

Most of the Firm’s Supervised Persons are registered representatives of PKS and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

### **Licensed Insurance Agents**

Jaime Benedetti and Bob Gucer are owners of BGA Teams Insurance Agency LLC, a licensed insurance agency that offers various types of insurance coverage.

Supervised Persons of BEAM may also be appointed with several insurance companies and may be able to receive separate compensation for transactions implemented through various insurance companies.

The potential for receipt of commissions and other compensation when acting as the owner of an insurance agency, or as an insurance agent of another insurance company, may provide an incentive to recommend insurance products based on the compensation received.

Clients are not obligated to use any company for insurance product purchases and may work with any insurance agent they choose.

Fees charged for all insurance sales are separate and distinct from any investment advisory fees charged by the Firm.

### **Certified Public Accountants (CPAs)**

A few of the Firm’s Supervised Persons are also licensed CPA’s. These activities are outside of the Firm and investment advisory services. These services are provided pursuant to a separate engagement and for separate fees.

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

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BEAM has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. BEAM’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non- public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of BEAM’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients can contact BEAM to request a copy of its Code of Ethics.

## Item 12: Brokerage Practices

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### **Recommendation of Broker/Dealers for Client Transactions**

For investment management clients, BEAM generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor Services (“Schwab”), Fidelity Institutional Wealth Services (“Fidelity”), Genworth Financial Wealth Management (“Genworth”), Purshe Kaplan Sterling Investments (“PKS”) for investment management accounts. Schwab and Fidelity offer independent investment advisers services which include custody of securities, trade execution, clearance, and settlement of transactions. BEAM receives some benefits from Schwab and Fidelity through its participation in these services. These Financial Institution Custodians provide institutional platform services to the Firm. Institutional platform services include custody of securities, trade execution, clearance, and settlement of transactions.

Factors which BEAM considers in recommending Schwab, Fidelity, Genworth, PKS, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. The Financial Institutions recommended by the Firm may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal or no transaction charges. The commissions and/or transaction fees charged by Financial Institutions recommended by the Firm may be higher or lower than those charged by other Financial Institutions.

The commissions paid by BEAM’s clients to Schwab, Fidelity, Genworth and/or PKS comply with the Firm’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where BEAM determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates and responsiveness. BEAM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist BEAM in its investment decision- making process. Such research generally will be used to service all the Firm’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because BEAM does not have to produce or pay for the products or services.

BEAM periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions considering its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

BEAM may receive without cost from the Financial Institution Custodians it recommends, computer software, related systems support and other economic benefits. BEAM may receive these benefits because the Firm renders investment management services to clients that maintain assets at those Financial Institutions.

Specifically, BEAM may receive the following benefits from Financial Institutions:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Access to an electronic communication network for client order entry and account information; and
- Third-party research, publications, access to educational conferences, roundtables, webinars, and practice management resources.

The Firm also has the ability deduct advisory fees directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Firm by third party vendors. Fidelity and Schwab may fund business consulting and professional services received by BEAM's related persons.

Some of the products and services made available by Fidelity and Schwab through the program can benefit BEAM but not its client. These products or services assist BEAM in managing and administering client accounts, including accounts not maintained at Fidelity and Schwab. Other services made available by Fidelity and Schwab are intended to help BEAM manage and further develop its business enterprise. The benefits received by BEAM's participation in the program do not depend on the number of brokerage transactions directed to Fidelity or Schwab.

The benefits the Firm receives from Financial Institutions it recommends are not provided in connection with clients' securities transactions (i.e., not "soft dollars"). The software, related systems support, and other economic benefits benefit BEAM, but not its clients directly. In fulfilling its duties to its clients, BEAM endeavors always to put the interests of its clients first. Clients should be aware; however, that BEAM's receipt of economic benefits from a Financial Institution creates a conflict of interest since these benefits influence the Firm's choice of one Financial Institution over another that does not furnish similar software, systems support or services.

### **Brokerage for Client Referrals**

BEAM does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

The client may direct BEAM in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institution or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by BEAM (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, BEAM may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

### **Commissions or Sales Charges for Recommendations of Securities**

As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of PKS. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless PKS provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through PKS if they have not secured written consent from PKS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from PKS, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than PKS under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### **Trade Aggregation**

Transactions for each client generally will be affected independently unless BEAM decides to purchase or sell the same securities for several clients at approximately the same time. BEAM may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s client’s differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among BEAM’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which BEAM’s Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. BEAM does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## Item 13: Review of Accounts

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### **Account Reviews**

BEAM monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with BEAM and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from BEAM and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients have an obligation to review statements received from the Custodians to review and verify activities including contributions and distributions reported in accounts. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from BEAM or an outside service provider. If any discrepancies are noted, clients should immediately report their findings to BEAM, their IAR or the custodian. Failure to timely report discrepancies may result in forfeiture of any corrective actions by the custodian.

On the LightBEAM\$ digital services platform, clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied in addition to account information on the digital services platform. LightBEAM\$ clients will not receive written or electronic reports from BEAM.

For the Non-Discretionary program, clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied in addition to account information on BEAM's client portal.



## Item 14: Client Referrals and Other Compensation

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### **Client Referrals**

In the event a client is introduced to BEAM by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from BEAM's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with BEAM's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of BEAM is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

### **Broker/Dealer Affiliation with Purshe Kaplan Sterling Investments**

BEAM and its IARs have engaged the services of Purshe Kaplan Sterling Investments ("PKS") as its broker/dealer as of April 2022.

BEAM advisory accounts are not required to be custodied or traded with PKS.

### **Other Compensation**

We receive an economic benefit from our custodians (Fidelity, Schwab) in the form of the support products and services it makes available to us. You do not pay more for assets maintained at these custodians as a result of these arrangements. However, we benefit from the arrangements because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by our custodians, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability of our custodians' products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## Item 15: Custody

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The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize BEAM and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to BEAM. In addition, as discussed in Item 13, BEAM may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from BEAM.

Certain client accounts, at the clients' request, have a Standing Letter of Authorization ("SLOA") arrangement with the custodian, allowing BEAM to give instructions on direct transfer of funds between client accounts. Current SEC policy deems this to fall under the definition of custody. All such transfers are closely monitored and regulatory audited in accordance with SEC standards to assure that no funds are misdirected or misappropriated. Your custodian will inform you directly of all transfers made under this kind of arrangement. Clients should contact their custodian(s) and notify BEAM without delay if clients do not receive regular independent statements from the custodians or suspect any unauthorized access to the accounts(s).

Under government regulations, we are deemed to have custody of a client's assets if the client authorizes us to instruct the custodians to deduct our advisory fees directly from the client's account. This is the case for accounts custodied at Schwab, Fidelity. The custodians maintain actual custody of clients' assets. Clients receive account statements directly from the respective custodian at least quarterly. They will be sent to the email or postal mailing address the client provides to the custodian. Clients have an obligation to review statements received from the Custodians to review and verify activities including contributions and distributions reported in accounts. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from BEAM or an outside service provider. If any discrepancies are noted, clients should immediately report findings to BEAM, their IAR or the custodian. Failure to timely report discrepancies may result in forfeiture of any corrective actions by the custodian.

## Item 16: Investment Discretion

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In its' agreements, BEAM is given the authority to exercise discretion on behalf of clients. BEAM is considered to exercise investment discretion over a client's account if it can affect and/or direct transactions in client accounts without first seeking their consent. BEAM is given this authority through a power-of-attorney included in the agreement between BEAM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). BEAM takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

Certain clients may sign the Non-Discretionary agreement and BEAM will not have discretion over those account(s).

## **Item 17: Voting Client Securities**

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BEAM does not have any authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies and receive proxies directly from either custodians or transfer agents.

## Item 18: Financial Information

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BEAM is required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

# Privacy Policy

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## Commitment to Privacy

Clients of BEAM share both personal and financial information. Privacy is important to us, and we are dedicated to safeguarding your information.

## Information Provided by Clients

In the normal course of business, BEAM typically obtains the following information about clients:

- Personal identity information such as name, address, and social security number;
- Information regarding securities transactions; and
- Financial information such as net-worth, assets, income, bank account information, and account balances.

## How BEAM Manages and Preserves Personal Information

BEAM does not sell information about current or former clients to 3rd parties. It is not a practice of BEAM to disclose such information to 3rd parties unless requested to do so by a client, client representative, or if necessary, in order to process a transaction, service an account, or manner permitted by law. In addition, BEAM may share information with outside companies contracted to perform administrative services. BEAM's contractual arrangements with service providers require them to treat your information as confidential.

In order to preserve your personal information, BEAM maintains physical, electronic and procedural safeguards. Our Privacy Policy restricts the use of client information and requires that it be held in strict confidence.

### Client Notifications

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy. Please do not hesitate to contact us with questions about this notice.