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Part 2A Appendix 1 of Form ADV

## **WRAP FEE PROGRAM BROCHURE**

**March 27, 2024**

This brochure provides information about the qualifications and business practices of Beacon Financial Advisors. If you have any questions about the contents of this brochure, please contact us at (914) 872-4040 or [compliance@beaconfa.com](mailto:compliance@beaconfa.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Any references to Beacon Financial Advisors as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.

Additional information about Beacon Financial Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our Firm IARD/CRD number is 119672.

## Item 2 – Material Changes

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At least annually, this section will discuss only specific material changes that are made to the Beacon Financial Advisors (“Beacon”) Wrap Fee Brochure and provide our clients with a summary of such changes. Additionally, reference to the date of the last annual update to this brochure will be provided.

Our last annual updating amendment occurred on March 15, 2023.

No material changes have been made since our last annual amendment.

A copy of our updated brochure is available free of charge and may be requested by contacting us at (914) 872-4040 or [compliance@beaconfa.com](mailto:compliance@beaconfa.com).

Additional information about Beacon Financial Advisors is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The IARD number for Beacon is 119672. The SEC’s website also provides information about any persons affiliated with Beacon who are registered, or are required to be registered, as Advisory Representatives of Beacon.

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## Item 4 – Services, Fees, and Compensation

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### Company History & Principals

Beacon Financial Advisors, Inc. (“Beacon”) is a New York corporation formed in 2000. Beacon was a Registered Investment Adviser in New York from May 2000 through April 2013. Beacon has been registered with the U.S. Securities and Exchange Commission (“SEC”) since April 2013. As founder of Beacon, Ronald M. Robins served as President and sole owner of Beacon since its inception. Effective June 2021, Benjamin (Jamie) Robins, Ron’s son and partner since 2015, acquired sole ownership of Beacon and now serves as President and Chief Compliance Officer. Jamie has been engaged in the financial services industry since 2009. Ron will continue to serve Beacon’s clients as Financial Advisor.

### Overview

Beacon Financial Advisors is an independent wealth advisory firm offering financial planning and asset management services customized to the needs of individuals and their families, pension and profit-sharing plans, charitable organizations, trusts, and businesses. We focus on providing personalized financial advice and superior service to a limited number of clients.

As fiduciaries, we have a fundamental obligation to act in the best interest of our clients at all times and to always place our client’s interests ahead of our own.

We specialize in:

- Estate Planning and Wealth Preservation
- Retirement/Income Planning
- Asset Management
- Multigenerational Financial Planning
- Stock Option Planning
- Non-Citizen Investment Issues
- Business Succession Planning
- Qualified Retirement Plans

We tailor our advisory services to our clients’ individual needs. We offer an initial, no obligation consultation to discuss what potential clients hope to achieve from the financial planning process and assess if we can help with their specific needs. Clients may ask us to restrict and/or limit certain securities or types of securities when we invest for them. Should they wish to engage our services, new clients will be required to sign our advisory agreement outlining the relationship and specifying our fee.

New clients typically pay an initial fee for the creation of their financial plan as well as an ongoing wrap fee that includes our asset management services, associated transaction costs, and the maintenance and monitoring of their financial plan. This ongoing wrap fee is based on the value of a client’s assets under management.

### Beacon’s Wrap Fee Program

Beacon serves as a program sponsor and portfolio manager for its own wrap fee program, the Beacon Private Wealth Program (the “Program”). If a client participates in the Program, they will pay a single asset-based fee which includes asset management, portfolio monitoring, the ongoing maintenance and monitoring of their financial plan, as well as trade execution, custody and other standard brokerage services. When managing the assets in the Program, we do not manage these assets any differently than non-wrap fee program accounts. When managing a client’s account on a wrap fee basis, Beacon shall receive as payment for its services the

balance of the total wrap fee after custodial, trading and other costs (including execution and transaction fees) have been deducted. A client may pay more or less than if they participated in other wrap fee programs or if they paid separately for these services.

The benefits under a wrap fee program depend, in part, on the size of the account, the costs associated with managing the account, and the frequency or type of securities transactions executed in the account. For example, a wrap fee program may not be suitable for all accounts, including but not limited to accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income securities or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees. In order to determine if a wrap fee arrangement is appropriate for you, you should compare our wrap program fee and any other costs associated with participating in our wrap fee program with the amounts that would be charged by other advisers, broker-dealers, and custodians for advisory fees, brokerage and execution costs, and custodial services comparable to those provided under our wrap fee program.

### Financial Planning Services



Our financial planning service is a multi-step process which reviews a client's entire financial profile, identifies potential qualitative and quantitative issues, develops an outline of steps to address the assorted and often interrelated issues, and begins to work through those issues. The solutions to the various issues identified often involve other professionals, most frequently estate attorneys and accountants. Beacon can "quarterback" the interactions with these professionals so that a client is not left to implement recommendations requiring professional assistance on their own. The initial development of a financial plan will typically take six months.

The process involves various steps including a data gathering session wherein Beacon collects the financial and personal information about the client. This includes a review of any previous estate planning, investments, insurance, and assorted executive, company, or institutional benefits.

A client's financial plan may include advice on asset allocation, tax planning analysis, estate planning analysis, business succession planning, retirement planning, budgeting, cash flow, and/or fringe benefit analysis. Beacon will schedule a meeting with the client to present our analysis of the situation and discuss our recommendations to assist the client towards their financial goals.

Plans are based on a client's financial situation at that time and on financial information disclosed by the client to Beacon. Certain assumptions may be made with respect to interest rates, inflation rates, and use of past trends and performance of the market and economy. However, past performance is no indication of future performance.

Beacon cannot offer any guarantees or promises that a client's financial goals and objectives will be met. Further, the client must continue to review and update the plan based on changes in financial situation, goals, objectives, or changes in the economy, tax code, or law. If a client's financial situation, investment goals, or objectives change the client must notify Beacon promptly of the changes. The advice offered by Beacon may be limited and is not meant to be comprehensive. The client is not obligated to implement advice through Beacon or its Investment Advisor Representatives.

## Asset Management Services

Beacon provides asset management services on a discretionary basis to our clients. Once we complete our analysis of a client's financial situation, we work with them to determine an appropriate portfolio allocation. All investments made on a client's behalf will take into consideration a client's limitations or restrictions as well as their financial situation, investment objectives, and risk tolerance.

We will schedule a meeting with the client to present how the client's account will be managed and the recommended portfolio allocation. A client does not have to engage us to develop a full financial plan. In its place, we will develop an asset allocation recommendation that is customized to the client's financial situation, investment objectives, and risk tolerance.

When Beacon provides continuous and ongoing asset management services, we will manage a client's account on a discretionary basis, making changes to the allocation as deemed appropriate by Beacon and in accordance with the client's financial situation, investment objectives, and risk tolerance. We will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with the client.

## General Information

The investment recommendations and advice offered by Beacon are not legal advice or accounting advice. The client should coordinate and discuss the impact of financial advice with their attorney and/or accountant. If a client's financial situation, investment goals, and/or objectives should change, please inform Beacon promptly. The change may trigger a need for adjustments in the client's plan or portfolio. Failure to notify Beacon of any such changes could result in investment recommendations not meeting the client's needs.

A client electing a wrap fee program will pay a single asset-based fee for bundled services which includes asset management, portfolio monitoring, the ongoing maintenance and monitoring of their financial plan, as well as trade execution, custody and other standard brokerage services. If the client determines to engage Beacon on a non-wrap fee basis, the client will pay separately for investment advisory services and will be responsible for paying transaction fees for transactions conducted in the client's account. When managing a client's account on a wrap fee basis, Beacon shall receive as payment for its investment advisory services the balance of the total wrap fee after custodial, trading and other costs (including execution and transaction fees) have been deducted.

In addition, it should be noted that since 2019, the preferred custodian recommended by Beacon does not charge a transaction fee for equity or ETF trades. Many of the leading custodians who compete with our preferred custodian have also implemented a zero-transaction fee policy. As such, it poses a potential conflict of interest should Beacon choose to purchase equity securities, over other securities, in order to reduce trading costs resulting in Beacon retaining a higher portion of the advisory fee. As we don't have control over when or if the custodian will begin charging a transaction fee for equities, we continue to believe that the remaining transaction costs warrant continuation of Beacon's Wrap Fee Program.

Beacon has a conflict of interest to use no-transaction fee funds and securities in order to reduce Beacon's costs resulting in Beacon retaining a higher portion of the advisory fee. Beacon generally recommends clients participate in the wrap fee program, however, we encourage you to review the custodians pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately (non-wrap). To see what you would pay for transactions in a non-wrap account at Schwab, please refer to their most recent pricing schedules available at [schwab.com/aspricingguide](https://www.schwab.com/aspricingguide).

### IRA Rollover Considerations

As part of Beacon's consulting and advisory services, we may provide a client with recommendations and advice concerning their employer retirement plan or other qualified retirement account. We may recommend that the client withdraw the assets from their employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA") that we will manage. If the client elects to roll the assets to an IRA under our management, we will charge the client an asset-based fee as described in Item 5. This practice presents a conflict of interest because our Investment Adviser Representatives have an incentive to recommend a rollover to the client for the purpose of generating fee-based compensation rather than solely based on the client's needs.

A client is under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if a client does complete the rollover, they are under no obligation to have their IRA assets managed by us.

### Fees & Compensation for Financial Planning Services

The fee for Financial Planning Services may be a fixed flat fee or may be based on an hourly charge. Fees for financial planning are negotiable. Typically, the agreement for financial planning services is for a period of one year. A client's fee depends on several factors including time spent with Beacon, number of meetings, complexity of the client's situation, amount of research, services requested, staff resources, as well as whether the client engages Beacon for ongoing monitoring of their financial plan. The completed financial plan will be delivered within six months of the signing of the agreement.

If a fixed fee is negotiated, the fee will be payable in full in advance for engagements lasting not more than six months. The maximum fixed fee for financial planning services is \$200,000 per annum. If an hourly rate has been negotiated, the fee will be payable monthly in arrears. The maximum hourly rate for financial planning services is \$1,000 per hour for Investment Adviser Representatives and \$500 per hour for Support Staff.

**Annual Renewal:** The agreement for Financial Planning Services will renew annually. Upon the anniversary of a client's agreement with Beacon, the client's Investment Adviser Representative will contact the client to schedule a meeting or call to review their financial plan. This meeting or call is encouraged so that we can ensure that the financial plan accurately reflects the client's financial objectives as well as provide us with the opportunity to amend the plan to accommodate any change in the client's circumstances (retirement, marriage, disability, etc.). The fee for consultation is based on the degree of change in the client's situation. All services will be provided on an hourly basis. For clients participating in the Beacon Private Wealth Program, the monitoring and maintenance of the financial plan is included in the Program Fee.

**Termination Provisions:** The agreement will remain in effect for a period of one year. It will automatically renew at the end of each year for a period of one year unless terminated. Beacon may modify the advisory agreement with 30-days prior written notice to the client at the address of record. The agreement may be terminated by either party upon written notice to the other party. The client will be responsible for any time spent by Beacon up to the day notice is received. We will refund any prepaid unearned fees to the client within 14 days. Refunds will not be provided for work that has already been performed.

### Fees & Compensation for Wrap Fee Program & Asset Management Services

Advisory fees are based on the aggregate value of all managed accounts within the established household. However, by mutual agreement, certain accounts or individual positions may be excluded from the aggregate valuation or subject to an asset management fee that differs from the fee charged under the aggregate value calculation. The fee schedules below apply to wrap fee and non-wrap fee accounts alike. As such, we recommend that all clients participate in the Beacon Private Wealth Program.

All new clients will be subject to the following blended fee schedule for asset management services:

| Aggregate Value of Accounts | Advisory Fee Per Year |
|-----------------------------|-----------------------|
| First \$2,000,000           | 1.00%                 |
| Next \$1,500,000            | 0.75%                 |
| Next \$1,500,000            | 0.60%                 |
| Over \$5,000,000            | 0.50%                 |

For existing clients who signed an advisory agreement prior to January 1, 2019 and for any new account an existing client may open, the following fee schedule reflects the maximum applicable fee which will remain in effect:

| Aggregate Value of Accounts | Fee Per Year |
|-----------------------------|--------------|
| \$100,000 - \$500,000       | 2.000%       |
| \$500,001 - \$1,000,000     | 1.500%       |
| \$1,000,001 - \$2,000,000   | 1.000%       |
| \$2,000,001 - \$3,500,000   | 0.750%       |
| \$3,500,001 - \$5,000,000   | 0.600%       |
| \$5,000,001 - \$15,000,000  | 0.500%       |
| \$15,000,001 or more        | Negotiable   |

All advisory fees and household minimums are subject to negotiation. Beacon may offer discounted rates to its employees and their families as well as to institutional and ultra, high-net-worth clients with substantial account balances. A client's fee will be specified in the agreement that the client signs. Fees are not based on a share of capital gains or capital appreciation of the funds or any portion of the funds.

Advisory fees will be charged in advance of the billing period. The billing period will be on a calendar quarterly basis (i.e., March 31, June 30, September 30, and December 31). The quarterly asset management fee will be based on the value of the account on the last business day of the just completed calendar quarter end. Fees for partial periods will be prorated. Accounts that have margin balances will be billed on the gross value of billable securities, not the net after deduction for margin balance.

#### Fee Terms

The following terms apply to client accounts with asset-based fees as well as flat, annual fees and hourly fees:

***All advisory fees and household minimums are subject to negotiation.*** Beacon may offer discounted rates to its employees and their families as well as to institutional and ultra, high-net-worth clients with substantial account balances.

After executing the asset management agreement, a client's initial quarterly fee is due and payable and will be deducted from their account. It will be prorated based on the number of days remaining in the calendar quarter and based on the current value of all assets transferred into the account. Thereafter, advisory fees will be charged quarterly, in advance and deducted from the account on or about fifteen (15) days after each calendar quarter end. Advisory fees will generally be collected directly from a client's account, provided the client has given Beacon written authorization. The client will be provided with an account statement reflecting the deduction of the advisory fee directly from the account custodian.



Provided the account continues to meet minimum account size requirements, a client may make additions to the account or withdrawals from the account. No fee adjustments will be made during a period for additional deposits, partial withdrawals, or for account appreciation or depreciation. If a client's account is closed, we will refund any prepaid, unearned fees.

A wrap fee is not based directly on the number of transactions in the account. Various factors influence the relative cost of our wrap fee program to the client, including our investment advice, custody and brokerage services if they were purchased separately, the types of investments held in the account, and the frequency, type and size of trades in the account. The wrap program could cost more or less than purchasing our investment advice and custody/brokerage services separately.

In addition to the advisory fees above, a client may pay fees for custodial services, account maintenance fees, margin interest, and other fees associated with maintaining the account. Such fees are not charged by Beacon and are charged by the product, broker-dealer, or the client's account custodian. Beacon does not share in any portion of such fees. Additionally, a client may pay their proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such advisory fees are not shared with Beacon and are compensation to the fund manager.

Clients electing a non-wrap program will pay the transaction fees for securities transactions executed in their account in accordance with the custodian's transaction fee schedule. Whether the client participates in a wrap or non-wrap fee program, if non-transactional fee funds or securities are purchased, the custodian or fund sponsor may require a holding period to be met before the security can be sold. If the client requests the security be sold prior to satisfying the holding period, the client will be subject to liquidation fees.

The services we provide through a Third-Party Investment Adviser may be available directly from the Third-Party Investment Adviser. The fees charged by the Third-Party Investment Adviser who offers their program directly may be more or less than the combined fees charged collectively. However, when using the services of Third-Party Investment Adviser directly, clients do not receive our advice in developing an investment strategy, selecting a Third-Party Investment Adviser, monitoring the performance of their accounts, and changing a Third-Party Investment Adviser provider when appropriate.

In addition to compensating Beacon for advisory services, the wrap fee the client pays to Beacon allows Beacon to pay for brokerage and execution services provided by Schwab. We do not charge our clients higher advisory fees based on the trading activity in their account, but clients should be aware that we have an incentive to limit the quantity of trades placed in a wrap account because we are charged for the transaction costs associated with placing trades in a wrap fee account.

Our wrap fee covers our advisory services and the brokerage services provided by Schwab, including custody of assets, equity trades, ETF's and agency transactions in fixed income securities. As a result, we have an incentive to execute transactions for client accounts at Schwab.

Client's in both the wrap and non-wrap program may also incur additional charges imposed by third parties including inactivity fees, check writing fees, wire transfer fees, internal mutual fund and ETF management fees, early redemption fees, fees for trades executed away from custodian, certain deferred sales charges on previously purchased mutual funds, IRA and qualified retirement plan fees, and other fees and taxes on brokerage accounts and securities transactions. Beacon will pay all transaction fees resulting from securities transactions for clients participating in the Beacon Private Wealth Program. Upon termination, the client will be liable for any transaction fees associated with liquidation and transfer of account positions. In addition, Beacon will have no further obligation to act or advise with respect to the client's accounts. The exclusive responsibility to monitor the securities in the account will belong to the client.

## Item 5 – Account Requirements and Types of Clients

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Beacon provides financial planning and asset management services for individuals and their families as well as for high-net-worth individuals, trusts, and estates. We also service pension and profit-sharing plans, charitable organizations, trusts, corporations, and other business entities.

Beacon generally requires a minimum amount of assets be deposited to an account for the purpose of obtaining asset management services. Beacon will generally require a client to deposit a minimum of \$1,000,000 (cash or securities) per client relationship. However, under certain circumstances, Beacon may waive the minimum account size requirement and accept accounts with a lower balance. *All advisory fees and asset minimums are subject to negotiation at the discretion of the firm.*

## Item 6 – Portfolio Manager Selection and Evaluation

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### Methods of Analysis

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Beacon may use any of the following methods of analysis in formulating their investment advice and/or managing client assets:

Investment Analysis. Investment analysis can help determine how an investment is likely to perform and how suitable it is for a given investor. It is key to any sound portfolio management strategy. Investors who are not comfortable doing their own investment analysis can seek professional advice from a financial advisor or other financial professional. Investment analysis can also involve evaluating past investment decisions in terms of the thought process that went into making them, how the decision affected a portfolio's performance and how mistakes can be regarded and corrected. Key factors in investment analysis include entry price, expected time horizon, and reasons for making the decision at the time.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the fund or ETF in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

### Investment Strategies

Although Beacon will often construct portfolios that accommodate pre-existing positions or large positions in company stock, we do not recommend individual stocks. Our primary approach is to hire professional managers

who implement their strategy through the use of mutual funds or exchange traded funds. We employ several disciplines in the management of client accounts. In addition to the basic tenets of modern portfolio theory, which include broad-based diversification across many asset classes, we can also implement a regular rebalancing and tax-loss harvesting strategy.

Asset Allocation. Asset management is conducted in a manner consistent with classic asset allocation theory using both active and passive investment management. Risk reduction may be accomplished through diversification and active portfolio rebalancing.

Long-term purchases. We may purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client.

Tactical asset allocation. With this strategy, we may use a range of percentages in each asset class; minimum and maximum percentages permit clients to take advantage of market conditions within these parameters. The percentages are guidelines only.

Strategic asset allocation. Beacon will set target allocations with this strategy, which will be periodically rebalanced to maintain desired allocation percentages. The allocation may change over time as clients' objectives change.

Insurance Products. From time to time, Beacon's Investment Adviser Representatives may recommend insurance products to fulfill client needs. When available, a fee-based version of an insurance product will be used. Typically, these products are selected based on client's needs (often identified in the financial planning process) and objective criteria like insurance company financial strength or product features. As an independent entity, Beacon is able to offer insurance products from a variety of carriers. Recommendations are not colored by special relationships or financial incentives. Depending upon the type of product, customary fees or commissions on such insurance products will be paid to Beacon or one of Beacon's Investment Adviser Representatives.

### Risk of Loss

Beacon does not represent, warranty, or imply that the services or methods of analysis used by Beacon can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that client goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Beacon will provide a better return than other investment strategies. All investment strategies inherently expose our clients to various types and varying degrees of risk. Below, we discuss those risks in greater detail:

Political Risks. Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.

General Market Risks. Markets can, as a whole, go up or down after various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without a known reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.

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.

Derivatives Risk. Investments in futures and options are considered "derivative" investments. A small investment in derivatives could have a potentially large impact on performance. The use of derivatives involves risks different from or possibly greater than the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value. There is the risk that the hedging technique will fail if changes in the value of a derivative held do not correlate with the portfolio securities being hedged.

Regulatory Risk. Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

Risks Related to Investment Term. If a client requires a liquidation of their portfolio during a period in which the price of the security is low, the client may not realize as much value as they might have had the investment had the opportunity to regain its value, as investments frequently do, or had it been able to be reinvested in another security.

Purchasing Power Risk. Purchasing power risk is the risk that an investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

Business Risk. Many investments, including many Index Funds and Target-Date Funds, contain interests in operating businesses. Business risks are risks 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. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.

Financial Risk. Many investments, including many Index Funds and Target-Date Funds, contain interests in operating businesses. Excessive borrowing to finance a business' operations can increase or decrease 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.

Default Risk. This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.

Management Risk. Investments may vary with the success and failure of investment strategies selected and implemented by the management of this Firm. If investment strategies do not produce the expected returns, the value of investments may decrease.

Risks Associated with Mutual Funds. The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and fund straying from its objective. Open-ended mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day.

Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's website. At the client's request, Beacon will direct the client to the appropriate web page to access the prospectus.

Investing in securities involves risk of loss, including the potential loss of principal. Therefore, a client's participation in any of the management programs offered by Beacon will require them to prepare to bear the risk of loss and fluctuating performance.

#### Performance-Based Fees and Side-by-Side Management

Beacon Financial Advisors does not charge performance-based fees or manage any mutual funds or hedge funds.

#### Voting Client Securities

Beacon does not vote a client's securities. Unless the client suppresses proxies, securities proxies will be sent directly to the client by the account custodian or transfer agent. The client may contact their Advisory Representative about questions they may have and opinions on how to vote the proxies. However, the decision to vote and how the client votes the proxies is solely up to the client.

### **Item 7 – Client Information Provided to Portfolio Managers**

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As the Sponsor and Portfolio Manager, Beacon does not utilize the services of an outside portfolio manager. Our firm has adopted a Privacy Policy, in accordance with Regulation S-P under section 504 of the Gramm-Leach-Bliley Act, which restricts our firm and its Advisory Representative in the use of and access to a client's nonpublic personal information. Advisory Representatives have access to client information on an as needed basis in order to service client needs under the Program. To effectively manage client accounts and assist clients in meeting their financial objectives, a client must update us as soon as possible when any changes to their personal or financial information occur. Clients may obtain a complete copy of our Privacy Policy by contacting our main office at the number on the front of this brochure.

### **Item 8 – Client Contact with Portfolio Managers**

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As the Sponsor and Portfolio Manager, Beacon places no restrictions on a client's ability to contact and consult with the Portfolio Manager. A client should contact their Advisory Representative to arrange a meeting with the Firm's Portfolio Manager.

### **Item 9 – Additional Information**

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#### Disciplinary Information

There are no legal or disciplinary events to be disclosed – material or otherwise – that would impact a client's or prospective client's evaluation of our investment advisory business or the integrity of our investment adviser representatives.

## Other Financial Industry Activities and Affiliations

Insurance Agents. Investment Adviser Representatives of Beacon are licensed with various insurance companies. The insurance business is not a significant business to the Investment Adviser Representatives and they do not concentrate resources toward the business. However, it is important to know that if they recommend insurance products and if clients purchase insurance products through them, they will earn either commissions or fees depending on the type of product. This represents a conflict of interest in that the Investment Adviser Representative who recommended the insurance product will receive compensation for it. Beacon attempts to mitigate the conflict of interest by notifying clients of this conflict. We inform clients that they are free to consult other financial professionals and that they may implement recommendations through these professionals.

Service Providers. Beacon maintains professional business relationships with various legal, accounting, recordkeeping, trust, third-party administrators and other investment advisory and consulting firms both locally and around the country. These informal relationships are created to share industry information and insight. Beacon does not receive any compensation or shared revenue with any of these entities; therefore, these relationships hold no conflict of interest for our clients.

Third-Party Investment Advisers. In general, Beacon does not recommend to clients a variety of third-party investment advisers who offer particular investments strategies. In the event a client requests this service, we will receive no direct or indirect compensation from the third-party investment advisers for these arrangements.

Other Registrations. Neither Beacon nor its investment adviser representatives are registered or having registrations pending to be a broker-dealer, a commodity pool operator, or commodity trading advisor or a representative of one.

## Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Beacon has a fiduciary duty to act in the client's best interest and always place the client's interests first and foremost. Beacon takes its compliance and regulatory obligations seriously and requires all staff to comply with such rules and regulations as well as Beacon's policies and procedures. We maintain a Code of Ethics with which all Investment Adviser Representatives, supervised persons, and staff must comply. The Code of Ethics provides for 1) a high ethical standard of conduct; 2) compliance with all federal and state securities laws; 3) policies and procedures for the reporting of personal securities transactions on a regular basis; and, 4) confidential treatment of client non-public, private information. A copy of our Code of Ethics will be provided to any client or prospective client upon request.

Neither Beacon nor its associated persons recommends to clients or buys or sells for client accounts any securities in which we have a material financial interest. Beacon and its associated persons may buy or sell securities identical to those securities recommended to a client. Therefore, Beacon and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to a client. Beacon and its associated persons will not put their interests before a client's interest. Beacon and its associated persons may not trade ahead of a client or trade in such a way to obtain a better price for themselves than for their clients. All employee personal accounts are monitored for compliance with the Code of Ethics.

## Review of Accounts

Financial Planning Services: Clients receiving financial planning services will receive a written financial plan from the Advisor upon completion of the review. Beacon recommends that clients have their plan reviewed and updated at least annually, or sooner if changes dictate. However, clients will decide on the time and

frequency of any further review. Financial planning services are renewed annually. Clients participating in the Beacon Private Wealth Program will receive ongoing monitoring and maintenance of their financial plan as a part of the Program.

**Asset Management Services:** The Adviser will regularly monitor the investments in client accounts and perform reviews of account holdings either quarterly, semi-annual or as agreed to by the client. Client accounts are reviewed for consistency with client investment strategy and objectives, compliance with investment restrictions provided by the client, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in a client's personal, tax, or financial status.

If a client is participating in Asset Management Services, we will meet with the client annually or as agreed by the client. The meeting may be in person, over the telephone, or electronically. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Clients must notify Beacon promptly of any changes to their financial goals, objectives, or financial situation. This may trigger a review of the client's portfolio allocation and lead to recommendations for changes. A client's Investment Adviser Representative may issue written meeting summaries after in person, telephone, or electronic contact. The "meeting summaries" will be considered actionable documents. Clients are requested to notify Beacon within 5 business days of any inaccuracies, omissions or other pertinent information.

We will monitor on a continuous basis the securities we recommend for client's portfolios. During any month in which there is activity in the client's account, the client will receive from its custodian a monthly account statement showing the client's account activity as well as positions held in the account at month end, confirmation of each transaction that occurs within the account, and annual tax reporting statements. If there is no activity in the client's account, the client will receive account statements on at least a quarterly basis.

#### Client Referrals and Other Compensation

At this time, the preferred custodian recommended to clients of Beacon will be Charles Schwab & Co. Inc. ("Schwab"), SEC-registered broker-dealer and member of FINRA and SIPC. Schwab will provide custody and brokerage services to clients. Schwab is not affiliated with Beacon. Due to the institutional relationship, we have with our preferred custodian, Schwab makes available to Beacon other products and services that benefit Beacon but may not directly benefit clients. Some of these other products and services assist us with managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information, and other market data; facilitate payment of our advisory fees from client accounts; and assist with back-office functions; recordkeeping; and client reporting. Many of these services generally may be used to service all or a substantial number of Beacon's clients, including clients who do not maintain accounts at Schwab. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services.

As part of its fiduciary duties to clients, Beacon will at all times put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Beacon or its related persons in and of itself creates a conflict of interest and may indirectly influence our choice of Schwab for custody and brokerage services. The receipt of additional services and incentives does not diminish our duty to act in the best interests of our clients, including to seek best execution of trades for client accounts.

Beacon does not have any formal or informal arrangements or commitments to obtain any research or research-related products or services on a soft-dollar basis. We do not share in any transaction fees charged by the custodian. We do not receive client referrals from Schwab.

### Financial Information

Beacon will not require a client to prepay more than \$1,200 for six or more months in advance of executing an agreement with the firm for financial planning or asset management services. There is no financial condition that is likely to impair our ability to meet our contractual commitment to our clients. Beacon has not been the subject of a bankruptcy petition.



## **Beacon Financial Advisors, Inc. Privacy Policy (March 2024)**

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### **How and Why We Obtain Information**

Beacon Financial Advisors, Inc. (“Beacon”) collects information about you to help us serve your financial needs, provide customer service, offer new products or services, and fulfill legal and regulatory requirements. Any collection of personal information is to support our normal business operations and service your account.

The nonpublic personal, financial, and health information Beacon collects comes from you. The information collected may come from the following sources:

- Information on applications and related forms, such as name, address, telephone number, email address, social security number, tax ID numbers, assets and income, personal financial information such as bank accounts, taxes and medical information if applying for insurance;
- Information regarding your transactions with us, such as products or services purchased, account numbers, balances, and payment history;
- Information from your employer, association, or benefit plan sponsor, such as name, address, social security number, assets, and income regarding group products, which we may provide or assist in reviewing on your behalf.

### **Sharing Information**

Beacon does not disclose nonpublic personal information about you to any non-affiliated third-parties, except as permitted by law. In the course of servicing your account, we may share information collected about our clients, as previously described above, with unaffiliated service providers such as insurance companies, mutual fund companies, broker/dealers or investment firms to provide account maintenance or customer service to your account. Additionally, we may be required by law or regulation to disclose information to third-parties such as in response to a subpoena to prevent fraud, to comply with rules and regulations to which we are subject, in response to industry regulators and/or in order to comply with your custodian’s policies. We may also disclose your information to other organizations as permitted by law such as government agencies and law enforcement officials (for example, for tax reporting or under court order), or to other organizations and individuals with your written consent (for example, to an attorney or tax professional).

### **Protecting Your Information**

Beacon maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information to ensure that we are complying with our own policy, industry practices, and federal or state regulations. If you decide to close your account(s) or become an inactive client, we will adhere to the privacy policies and practices as described in this notice.

### **Cookies**

Cookies are very small files placed onto the hard drive of your computer the first time you visit our website. Cookies enable our server to recognize who you are the next time you come back. Contrary to popular belief, cookies do not extract private or personal information from your computer’s memory; rather, they record only information relating to your visit to our site. Beacon uses cookies to track usage of the website and to address security issues. We may also use cookies to store your preferences relating to use of our website. If you do not want to allow our website to place a cookie on your computer, you can change your browser’s settings to deny cookies; however, this may affect your experience with certain features of our website and other websites that you visit.

Beacon reserves the right to change this Privacy Policy at any time. If there is a change in our policy and how we share your information, we will notify you prior to sharing the information and give you the option to disapprove.

Please let us know if you have any questions or comments regarding our privacy policy.