

Part 2A of Form ADV: *Firm Brochure*

**BEECHTREE CAPITAL INVESTMENT, INC.**  
SEC File Number 801-62421

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This Firm Brochure is the most recent update of Form ADV Part 2A. This Brochure provides clients with information about the advisory services and fees of Beechtree Capital Investment, Inc. (“BCI”). This disclosure information should be carefully considered before you become a client of Beechtree Capital Investment, Inc. If you have any questions, or would like a copy of our Brochure, please contact Susan Burke at 631-287-3223 or email us at [susan@beechhampton.com](mailto:susan@beechhampton.com), or contact us in writing at the address above. 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.

Beechtree Capital Investment, Inc. is a Registered Investment Adviser with the Securities & Exchange Commission. This registration does not imply a certain level of skill or training.

**Item 2: Material Changes**

This section of the ADV Part 2A is meant to describe any material changes relating to BCI that Clients should be aware of since the last update of this Brochure.

Persuant to SEC Rules, we will deliver a summary of any material changes to this and subsequent Brochures within 120 days of the close of BCI’s fiscal year. If any do arise in the future, we may further provide other ongoing disclosure information about material changes as necessary. A new Brochure will be provided as necessary based on changes to the business or the services provided to you, or if there is new important information to inform you about, at any time.

There have been no material changes relating to BCI that Clients should be aware of since the last update of this Brochure

Item 3: Table of Contents

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#### **Item 4: Advisory Business**

##### **Advisory Service**

Beechtree Capital Investment, Inc. (“BCI”) is a Registered Investment Adviser with the Securities & Exchange Commission, with offices at 175 Herrick Road, Southampton, NY, 11968. It was founded in 1994 to provide discretionary investment management services on a fee-only basis to individuals, corporations, trusts and not-for-profit institutions. The term “Registered Investment Adviser” does not imply a certain level of skill or training.

Susan K. Burke, Beechtree Capital Investment’s founder, sole owner and sole investment adviser, is a Chartered Financial Analyst. She has a law degree and an undergraduate degree in economics.

Susan Burke, President of Beechtree Capital Investment, Inc., has been a portfolio manager for over forty years. She has substantial experience in actively managing money for pension funds, mutual funds and individuals. After starting her career at Merrill Lynch, Ms Burke spent ten years at the IBM Retirement Fund, where as Senior Portfolio Manager she founded and managed a \$500 million portfolio of convertible bonds, convertible preferred stocks and other equity-linked securities. Subsequently, as Vice President of Oppenheimer Management Company, she co-managed the \$1 billion Oppenheimer Equity Income Fund, a mutual fund with diversified investments in equities and fixed income securities. Before forming her own investment management company, she was Vice President of Fleet Investment Advisors where she managed investments for individuals, corporations, foundations, trusts and estates.

Susan Burke has served as a volunteer on not-for-profit boards. She was a member of the Board of Trustees of the Young Women’s Christian Association Retirement Fund, Inc. for 30 years, and was Chair of its finance committee. She is a member of the Advisory Board and finance committee of the Animal Rescue Fund of the Hamptons, Inc.

A Chartered Financial Analyst (CFA), she received an A.B. in economics from Vassar College, and a law degree from New York Law School. Her professional association memberships include the CFA Institute and the New York Society of Security Analysts.

##### **Types of Investments**

Beechtree Capital Investment strives to help investors meet their financial goals by hiring the most experienced and outstanding money managers worldwide through selected no-load mutual funds, exchange traded funds, closed end funds, U.S. Government Securities and other marketable securities. Some client accounts also hold or have held common stocks, preferred stocks, municipal securities, warrants, and domestic and foreign mutual funds.

##### **Education**

It is a policy of BCI that all current and future employees will have education levels suitable for performing their tasks, including continuing education as appropriate. Continuing education activities, reading and attending pertinent conferences and workshops will enhance the expertise of BCI's two current staff members, Chief Compliance Officer Zoe Kamitses and President Susan Burke.

##### **Client Needs**

BCI tailors its services to the needs of its clients through initial Investment Objective discussions that are reviewed as often as necessary based on changing client circumstances. Clients may impose restrictions on investing in certain securities or types of securities if they so desire.

## Client Assets

As of December 31, 2023, Beechtree Capital Investment, Inc. manages \$30,745,989 on a discretionary basis. BCI does not manage non-discretionary accounts.

### Item 5: Fees and Compensation

#### INFORMATION ON COSTS AND FEES

Beechtree Capital Investment, Inc. is paid on a *fee only* basis. It does not charge or receive commissions or transaction fees of any kind. In addition to BCI investment management fees, there are various mutual fund costs and occasional transaction costs that should be understood. The descriptions of these other costs are based on sources believed to be accurate but their accuracy is not guaranteed.

##### 1. Mutual Fund Costs:

No-load (no commission), low expense mutual funds are the primary investment vehicle. All mutual funds, whether loaded (commissioned) or no-load, have various fees and expenses embedded in their structure: specifically, management fees, administration fees, trading costs and sometimes *12b-1* marketing fees. These mutual fund charges are collectively known as the *expense ratio*. Mutual fund returns are always reported after expenses are taken out, so the expense ratio is not apparent to the investor. The smaller or more exotic the fund, the higher the expense ratio can be expected to be. Fixed income funds should have the lowest expense ratios. Funds with no or low *12b-1* fees are sought. All things being equal, funds with the lowest expense ratios are preferred.

##### 2. Schwab Transaction Costs:

Charles Schwab, Inc. has been selected as the clearing and custodial broker because of the excellence of its computer systems and service teams. Many no-load mutual fund companies have Schwab One Source arrangements so that their funds can be purchased and sold at Schwab with no Schwab transaction fee. Where all other things are equal, funds of this type are favored.

On no-load funds that have not made the One Source no-transaction-fee arrangement with Schwab, there is a Schwab transaction fee on purchases and sales made electronically by the investment adviser; the fee is generally between \$25 and \$50 per transaction. If a sale and purchase are made simultaneously, the fee on the smaller transaction is a flat \$25.00. Beechtree Capital Investment does not receive these transaction fees. The Schwab transaction fees may change without notice. BCI bases this information on sources it believes to be accurate but does not guarantee accuracy.

Schwab charges a commission to buy and sell common stocks and other individual securities. Beechtree Capital Investment does not receive any commission on any transaction. Charles Schwab & Co., Inc. is one of the top tier discount brokers; as such its commission rates on trading individual securities can be expected in general to be somewhat lower than those of full service brokers, but higher than those of some deep discount brokers. No representation is made that Schwab will provide the lowest commission rate levels. The overall package of features and customer services provided by Schwab to BCI and its clients makes it advantageous to custody assets and perform trade executions at Schwab.

##### 3. Beechtree Capital Investment, Inc. Annual Management Fees:

On the first \$500,000 of assets, the annual fee is **1%** (0.01) of total assets under management, payable quarterly at the rate of **1/4 of 1%** (0.0025) of the market value of assets under management at the end of each quarter. On assets of \$500,001 to \$1,500,000, the annual fee is **3/4 of 1%** (0.0075) per year (payable at the rate of 0.001875 quarterly). On assets of \$1,500,001 and above, the fee will be at a negotiated rate. Minimum account size is \$500,000 (\$5,000 annual fee). Related accounts may be combined to determine the fee. Clients are billed quarterly and may choose to have their fee deducted from their assets, or may pay by check.

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

Beechtree Capital Investment, Inc. does not participate in performance-based fees or side-by-side management.

## **Item 7: Types of Clients**

Most of Beechtree Capital Investment's clients are individuals and families. Many have maintained accounts with BCI for many years. BCI also manages portfolios and provides investment advice for charitable foundations, endowments and trusts. BCI generally requires a minimum of \$500,000 to open an advisory account.

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

### Methods of Analysis

The largest institutional investors, such as corporate pension funds, devote their considerable resources to selecting investment sectors, and then hire a variety of money managers specializing in the chosen markets to execute their investment strategies. Fortunately for the individual investor, the no-load mutual fund universe contains several thousand funds, a few of them run by the same impressive talent tapped by the major institutions to manage their money. Through selected no-load funds, the services of world-class investment managers can be acquired for small portfolios at relatively low fees.

The ready availability of well-managed, no-load, low expense and low turnover mutual and exchange-traded funds makes the multiple fund approach cost effective and attractive for the individual investor. Emphasis in individual fund selection is first, on management -- its integrity, experience, style and skill; the ideal fund investment will have a seasoned manager who is an owner of the fund company and whose own net worth is invested in the fund along with us. Second, priority is placed on reasonable expense ratio levels; and third, on low turnover, especially for taxable accounts.

### Investment Strategies and Risk of Loss

Beechtree Capital Investment's investment style focuses on preservation of capital and long term, risk-adjusted total return on capital. Value and consistency of investment return are sought, rather than aggressive growth. The goal is to compound and grow assets over time.

By establishing representation in a variety of markets, investment sectors and asset classes, BCI aims to maximize return potential over the long term, while spreading and reducing risk. Overall market risks for investments that are diversified geographically and by sector will often be muted by the tendency of different markets to move in different directions at a given time. In addition, the risks of individual security selection are reduced by the diversification provided within a mutual fund.

Investing in securities' markets involves the risk of loss. Despite the best efforts of BCI at risk management, clients may experience periods of capital loss from time to time.

### Risks Associated with Cybersecurity

Beechtree Capital Investment must rely in part on digital and network technologies (cyber networks) to conduct our business. Such cyber networks might in some circumstances be at risk of cyber attacks that could potentially seek unauthorized access to digital systems for purposes such as misappropriating sensitive information, corrupting data, or causing operational disruption. These attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent

network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain physical safeguards intended to protect the confidentiality of its internal data. BCI maintains a Cybersecurity Policy and certain technical and physical safeguards intended to protect the confidentiality of its internal data. Nevertheless, cyber incidents could potentially occur and might, in some circumstances result in unauthorized access to sensitive information about BCI or its clients.

#### **Item 9: Disciplinary Information**

Beechtree Capital Investment, Inc., has no legal or disciplinary events to disclose.

#### **Item 10: Other Financial Industry Activities and Affiliations**

Beechtree Capital Investment requests that all investment management accounts be maintained at Schwab Institutional Services, a division of discount broker Charles Schwab & Co. Selected for its high quality processing systems and client service, Schwab Institutional provides order execution, trade confirmations, administrative services and monthly position reports for BCI and its clients. For a complete explanation of Schwab's transaction costs, please refer to Item 5, Fees and Compensation. BCI has no affiliation with Schwab.

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

BCI's governing principle is that it and its staff members owe a fiduciary duty towards their clients and a duty to behave ethically in all matters, great and small. BCI is dedicated to helping individual investors meet their financial goals by serving them with integrity, honesty, objectivity and competence, always acting in the best interests of the client. The Code of Ethics includes provisions relating to the confidentiality of Client Information, a prohibition on insider trading, and personal securities trading procedures, among other things. All supervised persons at BCI must acknowledge the terms of the Code of Ethics annually.

BCI has adopted a Code of Ethics Policies and Procedures statement in which it describes the measures it takes to observe high ethical standards of conduct and to ensure compliance with applicable securities laws. BCI will provide a copy of its Code of Ethics on request.

Personal trading: Susan Burke and the employees of BCI will from time to time purchase or sell for themselves the same securities that are purchased for clients. As a philosophical matter, BCI believes it is an alignment of interests to own the same securities in both BCI employees' personal accounts and its client accounts. A perceived or actual conflict of interest could arise in the timing of personal financial transactions made by BCI staff at the same time as client sales or purchases. The possibility of a conflict is somewhat mitigated by the fact that the securities involved (mostly mutual funds and exchange-traded funds) are widely held and publicly traded, and the transaction size is typically far too small to affect the market. Nonetheless, if client orders are being filled, BCI staff will not transact in exchange traded funds or other securities that trade, until client orders are satisfied, unless all transactions trade at the same price or the client gets the better price. In addition, when any such situations arise, the interests of clients are always to be placed above the interests of BCI employees.

#### **Item 12: Brokerage Practices**

Broker Selection: BCI's clients are required to establish (an) account(s) with Charles Schwab & Co., Inc. for custody and trade execution purposes. Charles Schwab & Co., Inc. is one of the largest discount brokers; as such its commission rates on trading individual securities can be expected in general to be somewhat lower than those of full service brokers, but may be higher than those of some deep discount brokers. It is not expected that Schwab will offer the lowest commission rate levels available anywhere on a given trade. The overall package of features and customer services provided to BCI and its clients makes it advantageous to both parties to custody assets and perform trade executions at Schwab.

Many firms do not require that their clients deal with only one broker and custodian. BCI deals with one broker because it is a relatively small firm. It is counterproductive for it to deal with several brokers from an administrative and systems standpoint. By concentrating all its business with one broker, BCI is able to establish an important relationship that helps its clients to get excellent services. BCI has chosen to require its clients to deal with Charles Schwab in particular because it trusts Schwab's financial stability, its excellent back office systems and its history of providing competitive commission rates. BCI believes that the competitive pressures on commission rates within the discount brokerage industry will provide BCI's clients with favorable executions on their trades, considering the sizes of their transactions.

**Aggregation of Trades:** Some firms may aggregate trades in an individual security for many clients into one large block; the advantage of this is that a large block may receive a more favorable commission rate for the client. BCI does not aggregate trades because it is not appropriate to its management style. BCI emphasizes long term investment rather than trading. Much of its volume is in no-load mutual funds, to which the concept of aggregation does not apply. Its volume in exchange traded funds is not large enough to negotiate a commission rate lower than the standard discount rate. In addition, BCI's portfolio management practice is to address each client's portfolio individually, making purchases and sales based on the individual's cash availability and needs, objectives and preferences, rather than to put all accounts into the same security at the same time in a block trade.

**Soft Dollars:** At this time, BCI does not follow the practice of directing trades to particular brokers to pay for research services nor does it pay "soft dollars" for any research services or other product. BCI's investment research is conducted by using publicly available sources and by paying cash dollars for various investment subscriptions and services.

**Trade Errors:** It is possible that despite BCI's best efforts, one of its employees could commit an unintentional mistake in the execution of a trade that could result in an unintended loss or gain to the client. BCI has written Trade Error Policies and Procedures to follow in documenting and correcting trade errors. In general, BCI will reimburse a client's account for any losses arising from the error, and any profits related to the error will generally remain in the client's account.

### **Item 13: Review of Accounts**

Beechtree Capital Investment's portfolio manager, Susan Burke, and Chief Compliance Officer, Zoe Kamitses, continuously monitor accounts to identify and correct any transaction or valuation errors, and to implement investment strategies that serve each client's investment objectives. Portfolios are constructed to meet the individual risk tolerance and investment objectives of each client. Accounts are reviewed continuously for changes in market conditions, fund performance and client needs.

BCI's clients are provided with transaction confirmation notices and monthly summary account statements directly from broker-dealer/custodian Schwab Institutional Services, a division of discount broker Charles Schwab & Co. Portfolio manager Susan Burke prepares, for each client, a quarterly report showing the account size and a written portfolio review discussing the portfolio's investment performance for the year to date, together with the investment performance of a relevant benchmark.

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

BCI has no arrangements, oral or written, whereby it receives any economic benefit from a non-client in connection with giving advice to clients. BCI does not compensate, directly or indirectly, persons or clients who refer clients to the firm.

### **Item 15: Custody**

BCI has limited custody of some of its clients' funds or securities. This occurs because clients authorize it to deduct management fees directly from the client's account.

BCI is also deemed to have custody of clients' funds or securities when clients have standing letters of authorization ("SLOAs") with their custodian (Schwab) to move money from a client's account to a third-party and under that SLOA authorize us to designate the amount or timing of transfers to and from the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

Beechtree Capital Investment, Inc. requires that all client assets be maintained with Charles Schwab & Co., Inc., a registered broker-dealer, member of SIPC, and a qualified custodian. Schwab will hold client assets in a brokerage account and buy and sell securities when instructed to by BCI. Schwab will deliver monthly account statements directly to clients, and in addition, send verification of the mailing to BCI on a monthly basis. BCI downloads all client statements from Schwab each month. BCI also performs a daily reconciliation which compares its internal accounts with the Schwab accounts. Transactions are compared and approved daily by BCI's portfolio manager, Susan K. Burke.

BCI advises its clients to compare BCI's quarterly portfolio statements with Schwab's end-of-quarter monthly statement. Where there is any discrepancy, Schwab's statement should be assumed to be correct unless proved otherwise. Modest discrepancies are normal due to timing differences. These differences are reconciled in BCI's daily reconciliation process.

### **Item 16: Investment Discretion**

BCI manages most client investment accounts on a discretionary basis. This means that typically it has the right, without obtaining specific client consent, to determine the securities that are bought or sold in client accounts, and the amounts of those transactions. This discretion is guided by a written *Client Investment Objective* statement, developed for and agreed to by each client before any trading is undertaken. This client objective statement guides asset allocation and investment selection decisions. Discretion is limited in that BCI cannot withdraw funds from client accounts other than for quarterly management fees, and cannot authorize disbursement of assets other than to the client's own address of record.

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

It is the policy of BCI not to vote proxies on the securities held in its clients' accounts. If a client wishes to vote proxies, BCI will arrange on request that all proxy materials and other corporate mailings be mailed directly to the client.

### **Item 18: Financial Information**

Management fees are paid quarterly in arrears. Beechtree Capital Investment, Inc does not require or solicit any prepayment of fees .