



**BBAE Advisors LLC**  
**2591 Dallas Parkway**  
**Suite 300**  
**Frisco, TX 75034**

**[WWW.BBAE.COM](http://WWW.BBAE.COM)**

**Form ADV Part 2A**  
**Client Brochure**

**January 2017**

This brochure ("Brochure") provides information about the business practices of BBAE Advisors, LLC. ("BBAE"), a registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that BBAE has registered its business with federal regulatory authorities, including the United States Securities and Exchange Commission (our CRD# 269900). 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.

If you have any questions about the contents of this Brochure, please contact us at 1-888-840-3137 or [xibo.zhe@bbae.com](mailto:xibo.zhe@bbae.com).

Additional information about BBAE is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

BBAE will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, BBAE will provide you with other interim disclosures about material changes as necessary.

This Brochure, dated December 2016, is prepared in accordance with the SEC's requirements. Material changes have been made to the following sections:

### **A. Change of Name, Address and Ownership**

The firm has amended its address on the ADV Part 1. The principal office and place of business has been changed from North Carolina to Texas. The firm has notice filed in the state of Texas.

The firm has also designated Joseph Hahm as the Chief Compliance Officer and has amended Form ADV Part 1 to include Mr. Hahm. Barry Freeman remains the Firm's President and CEO.

BBAE Advisors LLC is 100% directly owned by BBAE Holdings, LLC. BBAE Holdings, LLC is directly owned by BBAE Holdings, Ltd. Peng XiaoMei's ownership of BBAE Holdings, Ltd. has changed from 67% to 47.8%. As an owner of 25% or more, Ms. Peng's ownership will be disclosed on the ADV Part 1, Schedule B as an indirect owner.

### **B. Summary of BBAE's Services**

BBAE has introduced portfolio management services to independent investment advisors ("Sub-advisors") pursuant to its Asset Allocation Program Agreement.

BBAE offers payments to non-employee solicitors for referral services related to its Asset Allocator Account and Asset Allocation Program Agreement in accordance with SEC Rule 206(4)-3.

### **C. Fees and Compensation**

In return for its services as portfolio manager for the Asset Allocation Sub-advisor program, BBAE receives a management fee which is paid to BBAE by the wrap fee program sponsor. BBAE's investment management fee is paid as a percentage of the assets under management by the program sponsor and is paid on a pro-rata annualized basis monthly in arrears based on the value of Client's account on the last day of the previous month. Apex Clearing Corporation, which serves as the preferred broker and custodian for BBAE, will directly deduct the advisory fees due from the Client to BBAE from the Client's account and transfer these fees to BBAE.

BBAE offers cash payments for client solicitations in accordance with CFR 275.206(4)-3. Under these arrangements, BBAE pays a cash fee to non-employee solicitors for client referrals to its Asset Allocator Program and Sub-Advisor Program. The solicitor is an independent contractor and will not provide investment advisory services of any type. Information regarding client solicitations can be found under Item 14.

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## **Item 4 - Business**

### **A. Ownership of the Firm**

BBAE Advisors LLC (“BBAE” or the “Firm”) is a Delaware entity previously known as Jimustock Securities LLC that was formed in June 2015. The Firm underwent a name change in March 2016. The Firm did not change its tax identification number during the name change.

In March 2016, BBAE Advisors LLC (formerly named Jimustock Securities LLC) changed its ownership structure. This ownership structure effectively changed the control of the company, and thereby effected an assignment of the Agreement. The change in ownership did not alter the management structure within the company.

BBAE Advisors LLC is now 100% directly owned by BBAE Holdings, LLC. This represents a new direct owner to the Firm. BBAE Holdings, LLC is directly owned by BBAE Holdings, Ltd. This entity was previously known as Jimustock Holdings, Ltd. The Entity underwent a name change in March 2016. BBAE Holdings, Ltd is an indirect owner of BBAE Advisors LLC. BBAE Holdings Ltd is 47.8% owned by Peng XiaoMei.

The Firm relocated their headquarters from Charlotte, North Carolina to Dallas, Texas. Barry Freeman remains the Firm’s President and CEO. Joseph Hahm is the CCO.

### **B. Summary of BBAE’s Services**

BBAE is an investment advisor registered with the Securities and Exchange Commission (“SEC”). BBAE is a Robo Advisor and offers clients two options – discretionary portfolio management services and client self-directed trading. Both services are provided via BBAE’s proprietary platform. Additional information about BBAE’s products and services is provided on the SEC website Form ADV Part 1 of BBAE’s <http://www.adviserinfo.sec.gov>. We encourage visiting our website [www.BBAE.com](http://www.BBAE.com) for additional information.

As stated above, BBAE offers clients two investment options using BBAE’s proprietary technology:

**BBAE Asset Allocator**

**BBAE Self-Direct**

**BBAE Asset Allocation Sub-advisor Program**

**BBAE Asset Allocator** – BBAE offers discretionary services to clients by providing access to affordable, professional portfolio management. Each client’s customized portfolio is created to be in alignment with clients’ acceptable risk parameters and

financial objectives. BBAE will develop a customized investment program and guide the Client's investments by recommending:

- A customized portfolio of Exchange Traded Funds ("ETFs");
- A customized portfolio of publicly traded equities ("Stocks");

BBAE Asset Allocator recommendations do not include margin (leverage) or options;

BBAE Asset Allocator is a proprietary program which will allocate how much a client should allocate to each investment program based upon BBAE's review of a client's financial resources and risks. This is a **discretionary** asset allocation program.

**BBAE Self-Direct** – BBAE's "BBAE Self-Direct" product enables the Client to trade independently of BBAE's BBAE Asset Allocator product, and is a separate and distinct product offered by BBAE. A Client of BBAE Self-Direct shall be provided with direct access to BBAE's proprietary technology and access to BBAE's preferred brokerage firm, Apex Clearing Corporation. Apex is a non affiliated, U.S. registered broker-dealer firm. BBAE Self-Direct clients can place trades in ETFs, Mutual Funds and single securities with a market value of greater than \$1.00 USD. Client **shall be solely responsible for all investment decisions** and reinvestment of those assets that comprise Client's BBAE Self-Direct account. BBAE Self-Direct Clients are not subject to BBAE's management and or management fees.

**BBAE Asset Allocation Sub-advisor Program** – BBAE has developed a program for use by independent investment advisors ("Sub-Advisors"). The program is a proprietary automated investment management platform for use by Sub-Advisors to offer their clients a customized portfolio of ETF's or publicly traded equities. In connection with the program, BBAE provides sub-advisors with technology and related trading and account management services. BBAE is appointed by the Sub-Advisor as agent for the limited purpose of implementing the Sub-Advisor's program in return a percentage of Sub-Advisor's assets under management.

BBAE will act as the limited agent of the sub-advisor solely for the purposes of implementing the Sub-Advisor's program:

1. Reflect the Sub-Advisor's configuration of Sub-Advisor's program on the client portal;
2. Implement a questionnaire for Sub-Advisor to determine suitability;
3. Operate the Asset Allocation Program to (a) implement Sub-Advisor's selections, modifications and replacements of portfolios for client's program accounts, and (b) perform the automatic rebalancing for client's program accounts; and
4. Carry out the trade order management process via its clearing firm.

## **C. Assets Under Management**

As disclosed in BBAE's Form ADV Part 1, BBAE has \$70,632,114 in client assets under management on a discretionary or non-discretionary basis as of January 13, 2017.

## **Item 5 - Fees and Compensation**

### **A. Fees**

#### **BBAE Asset Allocator Fee Schedule**

BBAE's annual fee for the BBAE Asset Allocator provided under this Agreement shall be 50 bps (0.5%) for residents of the United States that are not "qualified clients", as such term is defined in section 205-3(D)(1) of the Investment Advisers Act of 1940. BBAE's annual fee shall be 15 bps (0.15%) of the market value of the Assets in the Client's BBAE Asset Allocator Account plus ten percent (10%) of the positive performance in such account for non-U.S. residents and all qualified clients. This annual fee shall be prorated and paid monthly, in arrears, based upon the daily average market value of the assets. No increase in the annual fee shall be effective without prior written notification to the Client. For BBAE Asset Allocator Accounts, Client authorizes Apex to charge the Account for the amount of BBAE's fee and to remit such fee electronically to BBAE in accordance with required regulatory procedures. In addition to BBAE's annual fee for the BBAE Asset Allocator, for each Client account with total assets of less than one-thousand dollars (USD \$1,000.00) BBAE shall also charge Client a monthly data usage fee of \$3.00. Client's total assets shall be based on the average daily asset total of the prior month. BBAE shall pro-rate the data usage fee for partial months.

BBAE reserves the right, in its sole discretion, to negotiate the fee for certain Client Accounts for any period of time determined by BBAE. In addition, BBAE may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

Client authorizes Apex Clearing Corporation, the custodian of the Assets to charge the Account for the amount of BBAE's fee and to remit such fee electronically to BBAE in accordance with required regulatory procedures

#### **BBAE Self-Direct Fee Schedule**

BBAE **shall not receive an advisory or management fees** for providing access to the BBAE Self-Direct.

BBAE will charge Clients with total assets of less than one-thousand dollars (USD \$1,000.00) a monthly data usage fee of \$3.00.

No portion of BBAE's fee shall be based on capital gains or capital appreciation of the Assets except as provided for under the Investment Advisers Act of 1940

### **BBAE Asset Allocator Sub-advisor Program**

Pursuant to the Sub-Advisor Agreement, Apex, as the preferred broker and custodian for the Portfolio Manager, will first pay the advisory fees deducted from Client accounts to the Portfolio Manager. The Portfolio Manager will then deduct a percentage of the Wrap Fee, or a percentage of the value of all assets in the Client accounts (the "PM Fee") and pay the remainder of the balance to Sub-Advisor. Fee percentages are pursuant to the Sub-Advisor Agreement and may vary. The Portfolio Manager is paid on a pro-rata annualized basis monthly in arrears based on the value of Clients' accounts on the last day of the previous month.

### **B. Other Account Fees**

BBAE's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client, if so charged by broker-dealer. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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.

Exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to BBAE's fee, and BBAE does not receive any portion of these commissions, fees, and costs.

The issuer of some of the securities or products we purchase for Clients, such as ETFs or other similar financial products, may charge product fees that affect Clients. BBAE does not charge these fees to Clients, and does not benefit directly or indirectly from any such fees. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison.

**BBAE Self-Direct** – BBAE shall not receive any advisory or management fees for providing access to BBAE Self-Direct. Apex Clearing Corporation will charge BBAE Self-Direct clients a commission based upon the clients' trading activity. APEX will charge BBAE Self-Direct clients the greater of \$0.00. APEX reserves the right to waive the above referenced commission for a trial period or change the commission rate in the future. As previously stated, BBAE will charge Clients with total assets of less than one-thousand dollars (USD \$1,000.00) a monthly data usage fee of \$3.00 in addition to those fees charge by Apex describe above.



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

BBAE's annual fee for the BBAE Asset Allocator provided under this Agreement shall be 50 bps (0.5%) for residents of the United States that are not "qualified clients", as such term is defined in section 205-3(D)(1) of the Investment Advisers Act of 1940. BBAE's annual fee shall be 15 bps (0.15%) of the market value of the Assets in the Client's BBAE Asset Allocator Account plus ten percent (10%) of the positive performance in such account for non-U.S. residents and all qualified clients. This annual fee shall be prorated and paid monthly, in arrears, based upon the daily average market value of the assets. No increase in the annual fee shall be effective without prior written notification to the Client. For BBAE Asset Allocator Accounts, Client authorizes Apex to charge the Account for the amount of BBAE's fee and to remit such fee electronically to BBAE in accordance with required regulatory procedures. In addition to BBAE's annual fee for the BBAE Asset Allocator, for each Client account with total assets of less than one-thousand dollars (USD \$1,000.00) BBAE shall also charge Client a monthly data usage fee of \$3.00. Client's total assets shall be based on the average daily asset total of the prior month. BBAE shall pro-rate the data usage fee for partial months.

## **Item 7 - Types of Clients**

**BBAE Asset Allocator** - BBAE asset allocation program is available to individuals (which includes all Natural Persons) via the BBAE Asset Allocator. There presently is a \$10,000.00 USD minimum required to open an investment account with BBAE Asset Allocator. At any time, a Client may terminate an Account, or full withdraw all of an Account, or update their investment profile, which may initiate an adjustment in the Accounts' holdings. In that case, BBAE may sell the securities in the Client Account at market prices at the time of the termination, withdrawal or update.

**BBAE Self-Direct** - BBAE's access to their self-directed trading platform is available to individuals (which includes all Natural Persons) via the BBAE Self-Direct product. There is no minimum balance requirement to open an investment account with BBAE Self-Direct.

**BBAE Asset Allocator Program** - BBAE's Asset Allocator program is intended for use by independent investment advisors to offer their clients a customized portfolio of exchange traded funds or publicly traded equities.

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

**BBAE Asset Allocator** provides Clients with discretionary asset allocation based on Modern Portfolio Theory (MPT). MPT attempts to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by selecting the proportions of various asset classes rather than selecting individual securities.

**BBAE Self-Direct** - BBAE **does not provide investment advice** to clients of BBAE Self-Direct product BBAE Self-Direct is a non-discretionary program. Clients are solely responsible for all investment decisions and trades. BBAE provides BBAE Self-Direct clients with access to their proprietary platform for trade execution through Apex Clearing Corporation.

## **Risk Considerations**

BBAE does not guarantee the future performance of the Client's account. Client understands that investments made via the BBAE Asset Allocator product or via the BBAE Self-Direct product, involve substantial risk and are subject to various market, currency, economic, political and business risks, and that those investment decisions and actions will not always be profitable. Client may not get back the amount invested in either account. Subject to the Investment Advisers Act of 1940, BBAE shall have no liability for any losses in Client's account. The price of any security or the value of an entire asset class can decline for a variety of reasons outside of BBAE's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. There is no guarantee that BBAE's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. BBAE's judgment may prove to be incorrect, and a Client might not achieve his or her investment objectives. High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling her securities at all, or at an advantageous time or price because BBAE and the Client's Broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Finally, performance based fees can increase the risk of excessive trading in Client accounts. The BBAE Asset Allocator by its automated nature limits excessive trading risk, although human programming error may result in excessive trading

BBAE cannot guarantee any level of performance or that any Client will avoid a loss of Account assets. Any investment in securities involves the possibility of financial loss that Clients should be prepared to bear.

When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective Client before retaining BBAE's services. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a Client if there is in fact an occurrence.

**Market Risk** - The price of any security or the value of an entire asset class can decline for a variety of reasons outside of BBAE's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a Client has a high allocation in a particular asset class it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that Client Account to underperform relative to the overall market.

**Investment Risk** -There is no guarantee that BBAE's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. BBAE's judgment may prove to be incorrect, and a Client might not achieve his or her investment objectives. BBAE may also make future changes to the investing algorithms and services that it provides. In addition, it is possible that Clients or BBAE itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to BBAE's software based financial service. BBAE and its representatives are not responsible to any Client for losses unless caused by BBAE breaching its fiduciary duty.

**Volatility and Correlation Risk** - Clients should be aware that BBAE's asset selection process is based in part on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client, and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.

**Liquidity and Valuation Risk** -High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling her securities at all, or at an advantageous time or price because BBAE and the Client's Broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While BBAE values the securities held

in Client Accounts based on reasonably available exchange-traded security data, BBAE may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting fees paid by a Client to BBAE.

**Credit Risk** - BBAE cannot control and Clients are exposed to the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any Broker utilized by Client, notwithstanding asset segregation and insurance requirements that are beneficial to Broker clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of Client securities. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a Client. BBAE seeks to limit credit risk by generally adhering to the purchase of securities, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products may involve higher issuer credit risk because they are not structured as a registered fund.

**Legislative Risk** - Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities. BBAE does not engage in financial or tax planning, and in certain circumstances a Client may incur taxable income on her investments without a cash distribution to pay the tax due.

**Foreign Investing and Emerging Markets Risk** - Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

**ETF Risks, including Net Asset Valuations and Tracking Error** - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of compensation - fees charged by BBAE plus any management fees charged by the issuer of the ETF. This scenario may cause a higher cost (and potentially lower investment returns) than if a Client purchased the ETF directly.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. BBAE discloses each ETF's current information, including expenses, on the Site. ETF tracking error and expenses may vary.

**Inflation, Currency, and Interest Rate Risks** - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by BBAE may be affected by the risk that currency devaluations affect Client purchasing power.

**Leverage** - BBAE may recommend leveraged ETFs for a client's portfolios. This can amplify exposure to the market, meaning that a percentage of market loss may be greater in a client's portfolio.

**Short Positions** - BBAE may in the future recommend client's short a security. With a short position, the potential for loss is unlimited.

**Derivatives** - BBAE may in the future recommend the use of options within client portfolios. Options can serve to mitigate risk, but they can also enhance risk by amplifying losses.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BBAE or the integrity of BBAE's management. We do not have any legal, financial, regulatory, or other "disciplinary" item to report to any Client. This statement applies to our firm and to every employee of our firm

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

BBAE does not have any Financial Industry activities to disclose at this time.

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

BBAE has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at BBAE must acknowledge the terms of the Code of Ethics annually, or as amended.

BBAE anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which BBAE has authority to effect the purchase or sale of securities in which BBAE, its management persons and/or clients, directly or indirectly, have a position of interest. BBAE's employees and persons associated with BBAE are required to follow BBAE's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of BBAE and its employees may trade for their own accounts in securities which are recommended to and/or purchased for BBAE's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of BBAE will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a

determination that these would materially not interfere with the best interest of BBAE's clients. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between BBAE and its clients.

Employees' accounts may trade in the same securities with client accounts on an aggregated basis when consistent with BBAE's obligation of best execution. In such circumstances, employee and client accounts will share commission costs equally and receive securities at a total average price. BBAE will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is BBAE's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. BBAE will also not cross trades between client accounts

## **Item 12 - Brokerage Practices**

BBAE directs all its brokerage and custody of client assets to Apex Clearing Corporation. Apex provides trade execution and clearing services in addition to traditional brokerage and custody services.

BBAE will seek the best execution of transactions for Client Accounts consistent with its judgment as to the business qualifications of Apex or other Brokers. "Best execution" means the best overall qualitative execution, not necessarily the lowest possible commission cost. Accordingly, the factors that BBAE considers when selecting or recommending Brokers are matters that directly benefit Client Accounts, and consistent with obtaining the best execution of their transactions. These factors include: execution capability and available liquidity; timing and size of particular orders; commission rates; responsiveness; trading experience; reputation, integrity and fairness in resolving disputes; quality of their application programming interfaces and technology; and other factors.

BBAE does not engage in any "soft dollar" practices involving the receipt of research or other brokerage service in relation to client commission money, nor do we receive any research or other products in connection with Client transactions. BBAE also does not use Client commission money to compensate or otherwise reward any brokers for client referrals.

BBAE may, but is not required to, aggregate orders for a Client's Account with orders of other Clients. BBAE may aggregate securities sale and purchase orders for a Client with similar orders being made contemporaneously for other Client Accounts. In such event, the average price of the securities purchased or sold in such a transaction may be determined and a Client may be charged or credited, as the case may be, the

average transaction price. As a result, however, the price may be less favorable to the Client than it would be if similar transactions were not being executed concurrently for other Accounts.

BBAE may use block trades when advantageous to clients. Block trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows BBAE to execute trades in a more timely, equitable manner and to reduce overall commission charges to clients.

BBAE does not have any arrangements to compensate any broker dealer for client referrals.

### **Item 13 - Review of Accounts**

BBAE provides all clients with continuous access to the website regarding information about account status, portfolio allocations, securities, and balances. Proprietary as well as commercially available software is used to review the portfolios quarterly to ensure that they are in line with investment objectives. Additional reviews may be triggered by material changes in variables such as a client's individual circumstances, or the market, political or economic environment.

Clients have access to current account balances and positions through the BBAE website. Apex prepares account statement showing all transactions and account balances during the prior quarter. All information relating to Client accounts are provided on the BBAE website and/or sent via email, as agreed to with each client at the time of their account opening. On a quarterly basis, BBAE may review each Client account and remind them to review and update the profile information previously provided. BBAE requests that Clients reconfirm their current profile information as needed and on an annual basis. BBAE conducts reviews when material changes may have occurred to a Client's portfolio or investment objectives. BBAE will retain the client account review documentation in its database. We consider implications and the volatility associated with each of our chosen asset classes when deciding when and how to rebalance.

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

BBAE offers cash payments for client solicitations in accordance with CFR 275.206(4)-3. Under these arrangements, BBAE pays a cash fee to non-employee solicitors for client referrals to its Asset Allocator Program [and Sub-Advisor Program.] The solicitor is an independent contractor and will not provide investment advisory services of any type. BBAE will provide or make available its current Form ADV Part 2 to solicitor. BBAE will also provide or make available its current Privacy Policy to solicitor if needed. If authorized



in writing by a solicited client, BBAE will deliver to solicitor copies of account statements and performance reports with respect to the solicited client's account(s) under BBAE's supervision or management.

## **Item 15 - Custody**

BBAE does not maintain custody of any Client funds or securities. BBAE has selected Apex to custody client assets.

Each Client will receive Account information, including trade confirmations and monthly account statements, directly from Apex or by logging into their account. Each Client should carefully review this information and compare it with information provided by BBAE when they are evaluating Account performance, securities holdings, and transactions.

## **Item 16 - Investment Discretion**

**BBAE Asset Allocator** – The Client hereby authorizes and appoints BBAE to provide the BBAE Asset Allocator on a discretionary basis, and BBAE accepts such appointment. Through the BBAE Asset Allocator BBAE shall provide to the Client a tailored investment portfolio and investment advice with respect to the assets to be contained in the Client's BBAE Asset Allocator account. Specifically with regard to the BBAE Asset Allocator, Client hereby grants BBAE full discretionary authority to invest, and to reallocate and/or reinvest those assets that comprise Client's BBAE Asset Allocator account. Client's BBAE Asset Allocator account shall therefore be subject to BBAE's management (which assets, together with all additions, substitutions and/or alterations thereto are hereinafter referred to as the "Assets" or "Account").

**BBAE Self-Direct** - Through the BBAE Self-Direct product, Client shall be solely responsible for all investment decisions and reinvestment of those assets that comprise Client's BBAE Self-Direct account. BBAE Self-Direct is not subject to BBAE's active portfolio management. BBAE Self-Direct platform provides Clients with access to transactions in ETFs, Mutual Funds and single securities with a market value of over \$1.00 USD.

## **Item 17 - Voting Client Securities**

As a matter of firm policy and practice, BBAE does not have any authority to and does not vote proxies on behalf of BBAE Asset Allocator or BBAE Self-Direct Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive proxies and other solicitations directly from the designated custodian.

BBAE will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

## **Item 18 - Financial Information**

BBAE does not require or solicit the prepayment of any fees, and does not have any adverse financial condition that is reasonably likely to impair our ability to continuously meet our contractual commitments to our Clients.

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about an adviser's financial condition. BBAE has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding

## **Item 19 - Privacy Policy**

BBAE does not disclose nonpublic personal information about its clients or former clients to any persons other than as described below. BBAE collects information about its clients (such a name, address, social security number, assets and income) from its website, discussions with clients, from documents that clients may deliver to BBAE (such as account applications) and in the course of providing services. In order to service its client accounts and effect client transactions, BBAE may provide client personal information to its affiliates and to firms that assist it in servicing client accounts and which have a need for such information. BBAE does not otherwise provide information about its clients to outside firms, organizations or individuals except as required by law. Any party that receives this information will use it only for the services and as allowed by applicable law or regulations, and is not permitted to share or use this information for any other purpose.



**BBAE Advisors LLC**  
**2591 Dallas Parkway**  
**Suite 300**  
**Frisco, TX 75034**

**[WWW.BBAE.COM](http://WWW.BBAE.COM)**

**Form ADV Part 2A, Appendix 1**  
**Wrap Fee Program Brochure**

**January 2017**

This wrap fee brochure provides information about the qualifications and business practices of BBAE Advisors LLC and its registered investment adviser representatives. If you have any questions about the contents of this brochure, please contact us at 1-888-840-3137 or [service@bbae.com](mailto:service@bbae.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration does not imply a certain level of skill or training. Additional information about BBAE Advisors LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. BBAE Advisors LLC's CRD number is 269900.

## **Item 2 - Material Changes**

This version of Part 2A, Appendix 1 of Form ADV ("Firm Brochure"), dated **January 13, 2017**, is the initial wrap fee brochure document for BBAE Advisors LLC. It contains information about our business practices as well as a description of potential conflicts of interest relating to our advisory business which could affect client accounts with us. We are providing this material in accordance with Rule 204-3 of the Investment Advisers Act of 1940, which requires a registered investment adviser to provide a written disclosure statement upon entering into an advisory relationship.

### **Full Brochure Available**

We will provide a new version of the Firm Wrap Fee Brochure as necessary when updates or new information are added, at any time, without charge. Request a complete copy of our Firm Brochure, by contacting us by telephone at **1-888-840-3137** or by email at **service@bbae.com**.

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## ITEM 4 – SERVICES, FEES & COMPENSATION

### A. FIRM DESCRIPTION

BBAE Advisors LLC (“BBAE” or the “Firm”), was formed in March 2016 as a Delaware limited liability company. BBAE is an investment advisor registered with the Securities and Exchange Commission (“SEC”). BBAE is a Robo-Advisor and is the sponsor of the BBAE Asset Allocator Program (“Wrap Fee Program”).

### B. SERVICES

BBAE offers individuals and high net worth individuals (“Clients”) unique automated investment advisory services over the internet to allow Clients convenient and personalized access to portfolio management. This Wrap Fee Brochure is meant to help our Clients understand the nature of the advisory services offered by BBAE, whether the advisory services offered by BBAE are right for you, and the potential conflicts of interest associated with your participation in the BBAE Wrap Fee Program. You should review it carefully.

BBAE manages assets as part of the BBAE Wrap Fee Program. A wrap fee program is a common alternative to a typical advisory fee structure that provides Clients with discretionary advisory, execution and clearing and custodial services for one all-inclusive bundled fee with no additional account activity charges. In exchange for these “bundled” services, Clients pay an all-inclusive (or “wrap”) fee determined as a percentage of the assets held in the wrap account. As such, BBAE charges Clients a single bundled fee that covers the investment advisory services it provides, as well as the brokerage and custodial services provided by Apex Clearing Corporation, an unaffiliated broker-dealer (“Apex” or “Broker”). Your fee is bundled with our costs for executing transactions in your account(s). Please see Item 6 for additional information on brokerage consideration.

Prior to providing any discretionary services, BBAE will provide Clients with an Investment Management Agreement (the “**Agreement**”). Under the Agreement, the Clients provide their current and anticipated financial condition as well as their investment objectives and risk tolerance. BBAE begins by assessing our Clients’ risk profiles through an online questionnaire via the BBAE website. The Clients are also provided a Customer Brokerage and Custody Agreement (the “Brokerage Agreement” with Apex, which establishes the Client accounts and through which Apex provides the brokerage services.

Clients for whom BBAE is providing discretionary investment management services grant BBAE a limited power of attorney permitting BBAE to buy and sell securities on Clients’ behalf, which are executed and custodied with Apex. Authorization pursuant to the Agreement to manage Clients’ assets on a discretionary basis shall remain in full force and effect until revoked by Clients in writing. The BBAE platform maintains and monitors our Clients’ individual account parameters. This review may include types of

account, investment objectives, overall financial conditions, personal and business assets, risk tolerances, and other factors unique to our Clients' situations. Based on our Clients' parameters, BBAE will develop customized investment portfolios. Periodic reviews of our Clients' investment programs may result in our Clients' programs being revised by BBAE, from time to time.

BBAE offers discretionary services to Clients by providing real-time access to affordable, professional and customized portfolio management (ranging from highly conservative to very aggressive) through its website. BBAE will develop customized investment programs and guide our Clients' investments by recommending:

- A customized portfolio of Exchange Traded Funds ("ETFs") and/or
- A customized portfolio of publicly traded equities ("Stocks");

The BBAE website allows Clients to update their risk profiles online, and this will typically effect a change in their portfolio composition based upon the new risk profile. BBAE provides Clients with a dedicated login to its website where Clients can view their holdings and their account history. Client portfolios are periodically rebalanced on a discretionary basis to realign the portfolios to the desired weighting across investments.

BBAE, as a software based advisor, requires Clients to acknowledge their ability and willingness to conduct the relationship with BBAE on an electronic basis. Under the terms of the Agreement, Clients agree to receive all account information and account documents (including Brochures), and any updates or changes to same, through access to the BBAE website and BBAE's electronic communications. Unless noted otherwise on the BBAE website or within this Brochure, BBAE's advisory service, BBAE's portfolio management services, Apex's brokerage services, the signature for the Agreement and Brokerage Agreement, and all other documentation related to the advisory and brokerage services are managed electronically.

In its management of Clients' portfolios, BBAE will seek to ensure that certain conditions are met and maintained, however Clients may not provide specific restrictions in their account. The software-based advisory services generally include preselected ETFs and/or Stocks for each asset class within the plans recommended to Clients by BBAE. BBAE does not allow Clients to select their own ETFs or Stocks because the preselected securities and asset class is considered to be part of the overall investment plan. Clients must promptly notify BBAE of any change to their financial situations or investment objectives that might require a review or revision of their portfolios. The investment advisor representative will be reasonably available to Clients for consultation on these matters and will act on any changes in financial circumstances deemed to be material or appropriate as soon as practical after the investment advisor representative is notified in writing by Clients.

At any time, Clients may terminate an account or withdraw all or part of an account, or update their investment profits, which may initiate an adjustment in the account holdings. Unless otherwise directed by Clients, BBAE will sell the securities in their accounts (or a portion of the account in the case of a partial withdrawal or update) at market price at or around the time of termination, withdrawal or update.

### **C. FEES AND COMPENSATION**

BBAE's annual fee ("Wrap Fee") for the Wrap Fee Program provided under this Agreement shall be 50 bps (0.5%) for residents of the United States that are not "qualified clients", as such term is defined in section 205-3(D)(1) of the Investment Advisers Act of 1940. BBAE's annual fee shall be 15 bps (0.15%) of the market value of the Assets in the Client's BBAE Asset Allocator Account plus ten percent (10%) of the positive performance in such account for non-U.S. residents and all qualified clients. This annual fee shall be prorated and paid monthly, in arrears, based upon the daily average market value of the assets. No increase in the annual fee shall be effective without prior written notification to the Client. For BBAE Wrap Fee Program accounts, Client authorizes Apex to charge the Account for the amount of BBAE's fee and to remit such fee electronically to BBAE in accordance with required regulatory procedures. In addition to BBAE's annual fee for the BBAE Wrap Fee Program, for each Client account with total assets of less than one-thousand dollars (USD \$1,000.00) BBAE shall also charge Client a monthly data usage fee of \$3.00. Client's total assets shall be based on the average daily asset total of the prior month. BBAE shall pro-rate the data usage fee for partial months.

BBAE reserves the right, in its sole discretion, to negotiate the fee for certain Client Accounts for any period of time determined by BBAE. In addition, BBAE may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

Client authorizes Apex Clearing Corporation, the preferred brokerage firm and custodian of the Assets to charge the Account for the amount of BBAE's fee and to remit such fee electronically to BBAE in accordance with required regulatory procedures.

Please note that fees will be adjusted for deposits and withdrawals made during the month. As part of this process, Clients must understand and acknowledge the following:

1. Apex sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid;
2. Clients provide authorization permitting fees to be directly paid by these terms; and
3. Apex calculates the advisory fees and deducts them from the Client accounts.

Clients will not have to pay any fees in addition to the Wrap fee, which includes the PM Fee. However, other advisers providing similar services may require clients to pay for



their own transaction expenses, including, but not limited to, investment-related expenses (such as brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments); any applicable tax liabilities (including transfer taxes and withholding taxes); and other similar expenses related to their account in addition to advisory fees.

A wrap fee program allows our Clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you.

BBAE does not charge Clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker. You may pay product or custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm and BBAE does not benefit directly or indirectly from any such fees. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore may directly affect the ETF's performance and indirectly affect Clients' portfolio performances or an index benchmark comparison. Expenses of an ETF may include management fees, custodian fees, brokerage commissions and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuers.

## **ITEM 5 – ACCOUNT REQUIREMENTS & TYPES OF CLIENTS**

### **A. ACCOUNT REQUIREMENTS**

BBAE asset allocation program is available to individuals (which includes all Natural Persons) via the BBAE Wrap Fee Program. There presently is a \$10,000.00 USD minimum required to open an investment account with the BBAE Wrap Fee Program. At any time, a Client may terminate an Account, or full withdraw all of an Account, or update their investment profile, which may initiate an adjustment in the Accounts' holdings. In that case, BBAE may sell the securities in the Client Account at market prices at the time of the termination, withdrawal or update.

In order to open a Wrap Fee Program account with BBAE, Clients must establish a brokerage relationship with Apex, a FINRA member broker-dealer. By entering into the Agreement with BBAE, Clients authorize and directs BBAE to place all trades in their accounts through Apex. As such, Apex will maintain all Client accounts and execute all securities transactions in their accounts without separate commission costs or other fees. Apex's procedures are designed to make every attempt to obtain the best execution possible, although there can be no assurance that it can be obtained. Clients should understand that the appointment of Apex as the sole broker for their accounts under this Wrap Fee Program may result in disadvantages to Clients as a possible result of less favorable executions than may be available through the use of a different broker-dealer.

BBAE trades in Client accounts for any number of reasons, including in response to Client actions such as asset allocation changes, deposits or withdrawals. BBAE also trades in order to rebalance Client accounts, to change investment options or otherwise to further the investment objectives that Clients specify via BBAE website. The portfolio is adjusted in real time upon (1) receiving initial Client information, (2) receiving updated information from Clients about their risk tolerances or (3) receipt of risk related adjustments from BBAE. However, transactions will be subject to processing delays in certain circumstances. Trading for new portfolios and adjustments to existing portfolios will generally occur on the same business day, subject to BBAE's trading policies, except where Clients have not yet funded their accounts.

## **B. TYPES OF CLIENTS**

BBAE Wrap Fee Program is available to individuals (which includes all Natural Persons) via the BBAE Asset Allocator. There presently is a \$10,000.00 USD minimum required to open an investment account with BBAE Asset Allocator. At any time, a Client may terminate an Account, or full withdraw all of an Account, or update their investment profile, which may initiate an adjustment in the Accounts' holdings. In that case, BBAE may sell the securities in the Client Account at market prices at the time of the termination, withdrawal or update.

## **ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION**

BBAE acts as sponsor and Portfolio Manager for the Wrap Fee Program. As Portfolio Manager, BBAE directly manages the portfolios of Clients pursuant to their Client Agreements. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services.

The Wrap Fee Program utilizes Modern Portfolio Theory (MPT). MPT attempts to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by selecting the proportions of various asset classes rather than selecting individual securities.

Historically, rigorous MPT-based financial advice has only been widely available through high-end financial advisors who typically require minimum account sizes of at least \$1 million and charge annual fees of at least 1% of assets under management.

To employ MPT properly, one must start with an accurate determination of an individual's objective and subjective tolerance for risk. Achieving accuracy requires sophisticated algorithms applied to more detailed questions than are typically asked by advisors. Based on this risk analysis, BBAE seeks to create an individualized investment plan using the optimal asset classes in which to invest, the most efficient and inexpensive securities to represent each of those asset classes, and the ideal mix of asset classes based on the Client's specific risk tolerance.

BBAE periodically reviews a very broad population of securities to identify the most appropriate securities to represent each asset class. BBAE continuously monitors our Clients' portfolios and periodically rebalances them back to the Clients' target mix in an effort to optimize returns for the intended level of risk.

## **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

BBAE acts as portfolio manager and program sponsor but may, from time to time, provide customer suitability information to third parties in order to model and rebalance portfolios. In doing so, BBAE may pay a fee to third parties for portfolio modeling services.

## **ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Clients may contact BBAE by telephone during normal business hours and by email 24 hours a day.

## **ITEM 9 – ADDITIONAL INFORMATION**

### **A. DISCIPLINARY INFORMATION**

BBAE is required to disclose whether there are legal or disciplinary events that are material to our Clients' or prospective Client' evaluation of BBAE's advisory business or the integrity of its management. None of BBAE, its principals, or its employees have been involved in any legal or disciplinary proceedings related to past or present investment advisory Clients.

### **B. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

BBAE is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of BBAE management or supervised persons is a registered representative of a broker-dealer and no such person has an application pending to become a registered representative of a broker-dealer.

BBAE is not a registered futures commission merchant, commodity pool operator, or commodity trading advisor and does not have an application pending to register as such. Furthermore, none of BBAE's principals or supervised persons is registered as, or has an application pending to register as, an associated person of any of the foregoing types of firms.

BBAE is not affiliated with an insurance company or agency which receives commissions or fees. BBAE does not have any other arrangements with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser, futures commission merchant, banking or thrift institution, accounting firm, law firm, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships other than those already disclosed herein.

### **C. CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

BBAE has adopted a Code of Ethics (the "Code") for all supervised persons of the Firm. The Code summarizes the Firm's values, ethical standards and commitment to address potential conflicts of interest that arise from its activities. Policies and procedures have been designed to implement the principles in the Code. BBAE will provide a copy of its Code of Ethics to Clients or prospective Clients upon request.

BBAE does not manage any "proprietary" investment accounts; i.e., accounts that are funded with the Firm's own money and are intended to create profits for the Firm. Accordingly, BBAE in the ordinary course does not compete with Clients in the market for securities. Similarly, BBAE does not use its own money to trade as a counterparty with Client accounts.

BBAE's employees may at any time buy or sell securities that are also held by Clients. This practice may present a conflict of interest in that employees may have an incentive to place trades in order to benefit from any price movements resulting from Client trades. However, our Code of Ethics requires employees to act in the best interests of Clients.

### **D. REVIEW OF ACCOUNTS**

BBAE regularly reviews and evaluates Client accounts for compliance with Clients' investment objectives, policies and restrictions. The Firm analyzes rates of return and allocation of assets to determine model strategy effectiveness.

In all cases, portfolios are reviewed when significant cash or securities are added to or withdrawn from the account or when BBAE is advised of a change in circumstances that

warrants a change in management of the account. Other events that may trigger a review include asset allocation imbalances or significant model or investment strategy changes. BBAE utilizes various tools and quality control reports available with its custodians and broker-dealers to identify these triggers.

BBAE will provide real-time account balances and returns to Clients via their online console, which is also available through their mobile application supported by BBAE. Apex will also provide Clients at least quarterly statements. Additionally, Clients will receive written statements detailing the portfolio performance no less than quarterly from Apex. Clients are advised to carefully review and compare reports and statements provided by Apex.

## **E. CLIENT REFERRALS AND OTHER COMPENSATION**

BBAE and its related persons do not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its Clients. However, we may receive from a broker-dealer or a fund company, without cost and/or at a discount, certain services and/or products, to assist in monitoring and servicing Client accounts. These may include investment-related research, pricing information and market data, software and other technology that provide access to Client account data, compliance and/or practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and other educational or social events, marketing support, computer hardware or software, and other products used by us to assist us in our investment advisory business operations. BBAE offers cash payments for client solicitations in accordance with CFR 275.206(4)-3. Under these arrangements, BBAE pays a cash fee to non-employee solicitors for client referrals to its Wrap Fee and Sub-advisor program. The solicitor is an independent contractor and will not provide investment advisory services of any type. BBAE will provide or make available its current Form ADV Part 2 to solicitor. BBAE will also provide or make available its current Privacy Policy to solicitor if needed. If authorized in writing by a solicited client, BBAE will deliver to solicitor copies of account statements and performance reports with respect to the solicited client's account(s) under BBAE's supervision or management.

## **F. FINANCIAL INFORMATION**

BBAE does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. BBAE is not presently aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

BBAE has not been the subject of a bankruptcy petition at any time during the last 10 years.

## **G.      PRIVACY POLICY**

BBAE does not disclose nonpublic personal information about its Clients or former Clients to third parties other than as described below. BBAE collects information about its Clients (such as name, address, social security number, assets and income) from the Firm's discussions with Clients, from documents that Clients may deliver to the Firm (such as subscription documents) and in the course of providing services to Clients. In order to service Clients' accounts and effect investment transactions, BBAE may provide Clients' personal information to the Firm's affiliates and to firms that assist BBAE in servicing Client accounts and have a need for such information, such as portfolio managers, brokers, distributors, legal counsel, fund administrators, or accountants. BBAE does not otherwise provide information about Clients to outside firms, organizations, or individuals except as required or permitted by law. Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose.



**BBAE Advisors LLC  
2591 Dallas Parkway  
Suite 300  
Frisco, TX 75034**

**[WWW.BBAE.COM](http://WWW.BBAE.COM)**

**Form ADV Part 2B  
Brochure Supplement**

**January 2017**

This Brochure Supplement provides information about certain BBAE Advisors LLC employees that supplements the BBAE Wrap Fee Brochure. If you have any questions about the contents of this brochure, please contact us at 1-888-840-3137 or [service@bbae.com](mailto:service@bbae.com). Additional information about BBAE Advisors LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. BBAE Advisors LLC's CRD number is 269900.

## **Barry Freeman**

President

Year of Birth: 1978

### **EDUCATION**

BBA University of Georgia, 2001

#### RELATED BUSINESS EXPERIENCE:

##### **President**

BBAE Advisors LLC

(08/2016 – Present)

##### **Co-Founder, Non-Executive Director**

PINTEC HOLDINGS LTD.

(08/2016 – Present)

##### **Co-Founder, CFO**

PINTEC HOLDINGS LTD.

(01/2013 – 08/2016)

##### **CFO, Executive Director**

CREDIT HENG GUARANTEE

(12/2010 – 01/2013)

##### **Managing Director**

ARC CHINA LTD.

(04/2009 – 12/2010)

##### **Vice President**

KNIGHT CAPITAL MARKETS, LLC

(11/2006 – 04/2009)

### **DISCIPLINARY INFORMATION**

Mr. Freeman does not have any legal or disciplinary events material to Clients' or prospective Clients' evaluation.

### **OTHER BUSINESS ACTIVITIES**

Mr. Freeman currently acts as a Non-Executive Director of Pintec Holdings Ltd.

### **ADDITIONAL COMPENSATION**

None

### **ITEM 6 SUPERVISION**

Mr. Freeman is President of BBAE Advisors LLC and is not subject to additional supervision.

## **Joseph Hahm**



Chief Compliance Officer

Year of Birth: 1981

## EDUCATION

B.A. University of Texas at Austin 2005

### RELATED BUSINESS EXPERIENCE:

#### **Chief Compliance Officer**

BBAE Advisors LLC

(12/2016 – Present)

#### **Senior Compliance Analyst**

Apex Clearing Corporation

(04/2016 – 11/2016)

#### **Compliance Officer**

Hilltop Securities Inc.

(05/2012 – 03/2016)

#### **Compliance Officer**

Capital Institutional Services, Inc.

(01/2011 – 05/2012)

#### **Equity Trader**

Assent LLC

(03/2009 – 02/2010)

#### **Compliance Officer**

Southwest Securities

(01/2009 – 03/2009)

#### **Trading Manager**

NEXT Financial Group

(06/2006 – 12/2008)

#### **Equity Trader**

Kershner Trading Group, LLC

(05/2005 – 04/2006)

## DISCIPLINARY INFORMATION

Mr. Hahm does not have any legal or disciplinary events material to Clients' or prospective Clients' evaluation.

## OTHER BUSINESS ACTIVITIES

None

## ADDITIONAL COMPENSATION

None

## SUPERVISION

Mr. Hahm is supervised by Mr. Freeman pursuant to BBAE's policies and procedures.

**Brian Donovan**

Chief Operations Officer

Year of Birth: 1957

## EDUCATION

BS Finance Siena College Loudonville, NY 1979

### RELATED BUSINESS EXPERIENCE:

#### **Chief Operations Officer**

BBAE Advisors LLC

(06/2016 – Present)

#### **Chief Compliance Officer**

Tradier Brokerage

(02/2013 – 12/2015)

#### **Chief Compliance Officer**

City National Securities, Inc.

(10/2005 – 08/2012)

#### **Chief Compliance Officer**

Magna Securities Corp.

(05/2004 – 09/2005)

#### **Vice President - Compliance**

Mellon Securities LLC

(02/2003 – 03/2004)

#### **Corporate Risk**

Dreyfus Brokerage Services

(11/2000 – 07/2002)

#### **Internal Controls Manager**

TD Waterhouse Investor Services, Inc.

(05/1998 – 11/2000)

#### **Chief Compliance Officer**

BA Securities, Inc.

(02/1995 – 09/1996)

#### **V.P. Compliance**

BA Investment Services, Inc.

(06/1994 – 01/1995)

#### **Regional Compliance Officer**

H.J. Meyers & Co., Inc.

(09/1993 – 05/1994)

#### **V.P. Compliance**

Kidder, Peabody & Co. Incorporated

(09/1985 – 09/1993)

## DISCIPLINARY INFORMATION

Mr. Donovan does not have any legal or disciplinary events material to Clients' or prospective Clients' evaluation.

## OTHER BUSINESS ACTIVITIES

None

## ADDITIONAL COMPENSATION

None

## SUPERVISION

Mr. Donovan is supervised by Mr. Hahm pursuant to BBAE's policies and procedures.

**Tao Feng**

Investment Advisor Representative  
Year of Birth: 1982

## **EDUCATION**

Renmin University of China, Bachelor of Business Administration  
Renmin University of China, Master of Business Administration

### RELATED BUSINESS EXPERIENCE:

#### **Investment Advisor Representative**

BBAE Advisors LLC

(05/2016 – Present)

## **DISCIPLINARY INFORMATION**

Mr. Feng does not have any legal or disciplinary events material to Clients' or prospective Clients' evaluation.

## **OTHER BUSINESS ACTIVITIES**

None

## **ADDITIONAL COMPENSATION**

None

## **ITEM 6 SUPERVISION**

Mr. Feng is an IAR of BBAE Advisors LLC and is supervised by Mr. Hahm pursuant to BBAE's policies and procedures.