

**Form ADV Part 2A  
Firm Brochure  
March 8, 2022**

This Brochure provides information about the qualifications and business practices of The BAHA. If you have any questions about the contents of this Brochure, please contact us at (833) 843-2242, or via e-mail at [service@TheBAHA.com](mailto:service@TheBAHA.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

The BAHA is a registered investment advisory firm. Registration of an investment advisory firm does not imply a particular level of skill or training.

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

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## **ITEM 2** **Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of our Firm Brochure. This Item discusses only specific material changes made to this Brochure and provides our clients with a summary of such changes.

### **Material Changes since the Last Update**

The BAHA is a newly registered investment advisory firm in 2022.

### **Full Brochure and Additional Information**

Full Brochure and additional information about The BAHA are available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered or are required to be registered as investment adviser representatives ("IAR").

## ITEM 3 Table of Contents

ITEM 1	Cover Page.....	1
ITEM 2	Material Changes.....	2
ITEM 3	Table of Contents .....	3
ITEM 4	Advisory Business.....	4
ITEM 5	Fees and Compensation.....	5
ITEM 6	Performance-Based Fees and Side-By-Side Management.....	7
ITEM 7	Types of Clients.....	7
ITEM 8	Methods of Analysis, Investment Strategies, and Risk of Loss .....	7
ITEM 9	Disciplinary Information.....	9
ITEM 10	Other Financial Activities and Affiliations .....	9
ITEM 11	Code of Ethics, Participation in Client Transactions and Personal Trading .....	10
ITEM 12	Brokerage Practices .....	10
ITEM 13	Review of Accounts .....	11
ITEM 14	Client Referrals and Other Compensation .....	12
ITEM 15	Custody.....	12
ITEM 16	Investment Discretion.....	12
ITEM 17	Voting Client Securities.....	12
ITEM 18	Financial Information.....	13

## ITEM 4 Advisory Business

### FIRM INFORMATION

The BAHA ("The BAHA," "we," "us," "our"), formed in November 2021, is a registered investment advisory firm located in The Woodlands, TX. We have been a registered investment advisory firm since 2022.

### PRINCIPAL OWNERS

The BAHA is owned and controlled by Rob Schneider, its Managing Member, and Chief Compliance Officer.

### INVESTMENT ADVISORY SERVICES

The BAHA provides web-based interactive investment advice through its online portal at The BAHA.com. This service is provided through our partnership with Betterment for Advisors. The automated online platform guides clients through the investment management process and provides management services.

The BAHA (The Buy and Hold Alternative) is an actively managed portfolio that pairs the ability to stay invested in a market uptrend with a rules-based tactical overlay that can sell and become defensive during negative markets. This is in contrast to traditional buy-and-hold portfolios that most investment managers follow that will always stay fully invested in both good and bad markets.

The BAHA portfolio expands the portfolio holdings beyond the traditional asset classes of U.S. Large-Cap stocks, U.S. Mid- and Small-Cap stocks, foreign Developed Markets, and foreign Emerging Markets to also include investments such as real estate, commodities, as well as other investment themes. This combination of expanded investment choices with a unique tactical overlay offers the potential for lower portfolio volatility, less investor emotional stress, and increased risk-adjusted returns through various market cycles. The portfolio can be 100% allocated to growth assets during bull markets but can also move to 100% defensive assets and cash during negative bear markets. The portfolios use ETFs as their primary investment vehicle.

There are seven portfolio allocations to correspond to the appropriate risk level of the investor. Investors can choose from portfolios designed for growing their assets for retirement as well as income portfolios that are designed to create a monthly income for investors in their retirement years.

Seven Allocation/Risk Profiles:

- All Stock Portfolio: 100% equity / 0% fixed income
- Aggressive Growth Portfolio: 85% equity / 15% fixed income
- Growth Portfolio: 70% equity / 30% fixed income
- Growth & Income Portfolio: 60% equity / 40% fixed income
- Balanced Portfolio: 50% equity / 50% fixed income
- Conservative Portfolio: 25% equity / 75% fixed income
- All Bond Portfolio: 0% equity / 100% fixed income

These custom portfolios are provided through our technology and custodian partnership with Betterment, a leader in the Robo-adviser industry. As part of the automated investment management

service, clients will complete an online personal risk tolerance assessment and provide additional information about their financial goals. Based on this information, the appropriate portfolio is selected for each client.

Clients can submit or modify risk preferences, investment objectives, investment size, and other reasonable restrictions for their account(s) directly through the online platform. Restrictions on investments in certain securities or types of securities are not possible due to the level of difficulty in managing the account. Portfolios will be actively managed and periodically rebalanced based upon your needs, stated goals, and objectives.

Betterment for Advisors is a digital wealth management platform generally serving independent investment advisory firms. Betterment LLC ("Betterment"), a registered investment advisor, serves as sub-advisor to The BAHA clients ("Clients") utilizing the automated investment management services. MTG LLC, dba Betterment Securities ("Betterment Securities"), a registered broker-dealer and member of FINRA and the SIPC, serves as broker-dealer and custodian.

The services provided by Betterment include:

- **Goal-Based Investment Management:** Betterment's goal-based investment platform allows advisors and Clients to identify multiple investment goals for each Client, each with specific portfolio allocations;
- **Portfolio Construction Tools:** Advisors and Clients have access to a set of custom portfolio strategies, each of which is comprised of low-cost, index-tracking, actively managed exchange-traded funds, or mutual funds, and are able to customize the risk-level for each investment goal;
- **Automated Investment Management Services:** Betterment's algorithms automate back-office tasks such as trading, portfolio management, tax-loss harvesting, and account rebalancing;
- **Website and Mobile Application:** Betterment's website and mobile application provide a platform for account access and monitoring, and delivery of account documentation and notices; and
- **Advisor Dashboard:** Advisors have access to a dashboard for purposes of monitoring and managing Client accounts.

## **WRAP FEE PROGRAMS**

The BAHA does participate in and recommends a wrap fee program available through our partnership with Betterment for Advisors. Please refer to Betterment for Advisors Part 2A Appendix brochure for a more detailed explanation of Betterment for Advisors wrap program.

## **ASSETS UNDER MANAGEMENT**

The BAHA is a newly registered investment advisory firm with the SEC and currently does not have any assets under management.

## **ITEM 5 Fees and Compensation**

### **ANNUAL FEES FOR ADVISORY SERVICES**

The BAHA is compensated for providing asset management services by charging a fee based on the total assets under management. The fees and billing will be pre-determined in writing in the Investment Advisory Agreement executed by you and The BAHA.

## FEE BILLING & PAYMENT

The BAHA is compensated for providing automated investment management services by charging an annual management fee based on the assets under management. The total annual advisory fee is 0.50% of the assets managed. The total annual advisory fee is prorated and charged quarterly in arrears based on the Client's average daily balance for the prior quarter, multiplied by 0.50%.

The percentage breakdown of the Asset Management Fee is based on the total of all client assets that The BAHA manages and is calculated and charged in accordance with the following fee schedule:

Assets under Management	Betterment for Advisors Fee	BAHA fee
\$0 - \$2,000,000	20 bps	30 bps
\$2,000,001 - \$10,000,000	18 bps	32 bps
\$10,000,001 - \$30,000,000	16 bps	34 bps
\$30,000,001 to \$100,000,000	14 bps	36 bps
\$100,000,000+	12 bps	38 bps

Betterment will collect both its and our fee from each Client and remit our portion of the fee directly to The BAHA when in receipt of your written authorization by executing an investment advisory agreement permitting the fees to be paid directly from your account. This fee is non-negotiable. Betterment charges our Clients an asset-based wrap fee on amounts invested via the Betterment for Advisors platform that is tiered based on the aggregate balance of all of our client accounts at Betterment (not including funds held in Betterment Everyday Cash Reserve). The services included for the wrap fee include all of the services provided by Betterment and Betterment Securities through the Betterment for Advisors platform, including advisory services, custody of assets, execution, and clearing of transactions, and account reporting. Betterment collects wrap fees directly from Clients pursuant to the terms of the sub-advisory agreement between Betterment and each Client. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the advisory, custodial, trade execution, and other services were purchased separately.

Additional information regarding Betterment's fees and compensation is described in Betterment's Form ADV Part 2A Appendix.

## TERMINATION OF AGREEMENT

The BAHA's services will automatically renew annually unless terminated by either you or The BAHA. Either party may terminate the agreement prior to delivery of the plan or completion of the services with a 5-day advance written notice. Upon termination of any service, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable up to and including the effective date of termination.

Notwithstanding the above, if we do not deliver the appropriate disclosure statement to you at least 48 hours prior to you entering into any written or oral advisory contract with this us, then you have the right to terminate the contract without penalty within five (5) business days after entering into the contract.

Please refer to Item 12 of this brochure for a more detailed explanation of brokerage practices.

## ITEM 6 Performance-Based Fees and Side-By-Side Management

We do not charge any performance-based fees, which are fees based on a share of capital gains on or capital appreciation of your assets.

## ITEM 7 Types of Clients

We provide our investment advisory services to:

- Individuals
- High Net Worth Individuals

Our minimum account size requirement for opening an account with us is \$100.

## ITEM 8 Methods of Analysis, Investment Strategies, and Risk of Loss

### METHODS OF ANALYSIS

We use various methods of analysis and investment strategies, including the following:

**Charting** - This is a type of technical analysis where we review various charts of market and security activity in an attempt to identify when the market is moving up or down and predicting how long trends may last and when that trends might reverse.

**Fundamental Analysis** – We evaluate economic and financial factors to determine if a security may be underpriced, overpriced, or fairly priced. This method entails assessing a security by attempting to determine its intrinsic value by examining related financial, economic, and other qualitative and quantitative factors. Fundamental analysis requires an in-depth look at all factors that can affect the security's value, from macroeconomic factors (like the overall economy and industry conditions) to individually specific factors (like the financial situation and management of companies). The overall objective of performing the fundamental analysis is to determine a value that an investor can use to determine what sort of position to take with that security. This method of security analysis is contrary to technical analysis. Fundamental analysis involves using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and/or company developments may result in significant price fluctuations that can lead to investor losses.

**Technical Analysis** – This method involves the evaluation of securities by performing an analysis of statistical information that is generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value but instead use charts and other tools to determine the patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that we will be able to accurately predict such a reoccurrence.

## INVESTMENT STRATEGIES

When formulating investment advice or managing client assets, we will use the following investment strategies. There are inherent risks associated with each of these strategies.

**Long-Term Strategy** - A long-term strategy may not take advantage of short-term gains or may experience more volatility over the life of the portfolio.

**Short-Term Strategy** - A short-term strategy involves the purchase of securities with the idea of selling them within a relatively short time, typically a year or less. This strategy is done in an attempt to take advantage of conditions that result in market fluctuations in the securities purchased.

Your accounts are managed separately with your underlying investment strategies, restrictions, or investment limitations defined within the investment management agreement.

## POTENTIAL RISKS

Investing involves different levels of risk that can result in loss of any profits and/or principal you have not realized. We manage your account in a manner consistent with your pre-determined risk tolerance and suitability profile. However, we cannot guarantee that our efforts will be successful. Investing in securities involves the risk of loss clients should be prepared to bear.

### **Investing involves the assumption of risk, including:**

**Financial Risk:** which is the risk that the companies we recommend to you perform poorly, which affect the price of your investment.

**Market Risk:** which is the risk that the stock market will decline, decreasing the value of the securities we recommend to you with it.

**Inflation Risk:** which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.

**Political and Governmental Risk:** which is the risk that the value of your investment will be affected by the introduction of new laws or regulations.

**Interest Rate Risk:** which is the risk that the value of the investments we recommend to you will fall if interest rates rise.

**Call Risk:** which is the risk that your investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

**Default Risk:** which is the risk that the issuer is unable to pay the contractual interest or principal on the investment promptly or at all.

**Manager Risk:** which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.



**Industry Risk:** which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.

**Short-Term Purchases:** Short-term purchases may incur more trading and brokerage costs in the form of increased commissions and transactions costs and increased tax obligations on the gains of a security's value. A short-term strategy runs the risk that certain anticipated market movements do not occur, resulting in the client holding a security for longer than intended.

## ITEM 9

# Disciplinary Information

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There has been no disciplinary, legal, or regulatory events related to us or any of our management persons.

## ITEM 10

# Other Financial Activities and Affiliations

## FINANCIAL INDUSTRY ACTIVITIES

Neither The BAHA nor its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither The BAHA nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.

Certain associates of the firm are also IARs of an affiliated/unaffiliated registered investment advisory firm and can provide additional investment advisory services that are not available with our firm. As a registered IAR of an affiliated/unaffiliated investment adviser, he or she may earn additional fee-based compensation by providing investment recommendations for the sale of general securities products such as stocks, bonds, mutual funds, exchange-traded funds, real estate investment trusts, pooled investment vehicles, and/or a variable annuity to investment advisory clients.

## SELECTION OF OTHER INVESTMENT ADVISERS

As indicated in Item 4, our online asset management services are offered through a third-party investment adviser, Betterment.

As part of our relationship with Betterment and Betterment Securities, Betterment may offer us services intended to help us manage and further develop our business enterprise, such as access to webinars and advice about using the Betterment for Advisors platform to grow our business. Betterment may offer different or expanded services in the future. These services could create an incentive for us to recommend that our Clients invest through the Betterment for Advisors platform. This is a potential conflict given that our interest in recommending Betterment could be influenced by our receipt of Betterment's and Betterment Securities' services to our business. Other potential conflicts may exist regarding our use of the Betterment for Advisors platform.

## **ITEM 11** Code of Ethics, Participation in Client Transactions and Personal Trading

### **CODE OF ETHICS**

The BAHA has developed a code of ethics that will apply to all of our supervised persons. We and our IARs must act in a fiduciary capacity when providing investment advisory services to you. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. The BAHA has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of our code of ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will acknowledge that they have read, understand, and agree to comply with our Code of Ethics.

Our Code of Ethics is available to clients and prospective clients upon request.

### **RECOMMENDATIONS INVOLVING A MATERIAL FINANCIAL INTEREST**

Neither we nor any related person recommend to clients or buys or sells for clients' accounts securities in which we or a related person has a material financial interest.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

There may be instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates, or other clients may also have a position or interest. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

### **PERSONAL TRADING**

Employees are permitted to have personal securities accounts as long as personal investing practices are in line with fiduciary standards and regulatory requirements and do not conflict with their duty to The BAHA and our clients. The BAHA monitors and controls personal trading through pre-approval of all personal securities transactions or blackout periods imposed upon employees trading in the same securities as The BAHA. We forbid any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or communicate such information to others in violation of the law.

## **ITEM 12** Brokerage Practices

Our policies and procedures prohibit unfair trading practices and to avoid conflicts of interest, where possible, or to disclose conflicts when they arise. We will attempt to resolve conflicts when reasonably possible.

The BAHA currently has arrangements with Betterment Securities, member SIPC, an unaffiliated SEC-registered broker-dealer, and FINRA member, whereby The BAHA requires its investment management clients utilizing its online portal to utilize Betterment Securities for their accounts. Betterment Securities is responsible for the execution of securities transactions and maintains custody of customer assets. Betterment Securities exercises no discretion in determining if and when trades are placed; it places trades only at the direction of The BAHA. Clients should understand that the appointment of Betterment Securities as the broker for their accounts held at Betterment may result in their receiving less favorable trade executions than may be available through the use of broker-dealers that are not affiliated with Betterment.

We do not receive client referrals from broker/dealers.

We do not recommend, request, require, or permit clients to direct us to executed transactions through a specific broker-dealer other than those we recommend.

We attempt to allocate trade executions in the most equitable manner possible, taking into consideration current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation. We may aggregate orders in order to obtain the best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients' differences in prices and commission or other transaction costs. In aggregated orders, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

Additional information regarding Betterment Securities can be found on FINRA's BrokerCheck.

## **ITEM 13** **Review of Accounts**

### **PERIODIC REVIEWS**

Clients will be provided with continuous access to their accounts via our online portal. Through the portal, clients will receive current reporting information about their account status, securities positions, and balances. The Chief Compliance Officer will provide reviews of accounts on a periodic, as-needed basis but no less than annually.

### **REVIEW TRIGGERS**

We conduct periodic reviews to evaluate the current market, economic and political events and how these may affect client accounts. Additional reviews may be triggered by these events or by events in the client's financial or personal status.

### **REGULAR REPORTS**

Clients utilizing our automated investment management services will receive advisory account reports no less than quarterly. These reports show asset value by cash balances, security, unit cost, total cost, current per share values, etc. Clients are urged to review the quarterly reports provided by us with those provided by their custodian and notify us of any differences. Clients are encouraged to email us as they deem necessary to receive information regarding the investment tactics and strategies being followed.

## **ITEM 14** Client Referrals and Other Compensation

Please see Item 12 Brokerage Practices for information regarding the benefits we receive from our custodian.

We do not pay a referral fee to third-party solicitors.

## **ITEM 15** Custody

We are deemed to have custody of client funds and securities due to our ability to deduct management fees from clients' accounts. We will not take physical custody of clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

## **ITEM 16** Investment Discretion

### **DISCRETIONARY AUTHORITY FOR TRADING**

If you are participating in our asset management services, upon receiving your written authorization via our executed investment advisory agreement, we will maintain trading authorization over your designated account and may also implement trades on a discretionary basis.

When discretionary authority is granted, we will have the limited authority to determine the type of securities to be purchased, sold, or exchanged and a number of securities that can be bought, sold, or exchanged for your portfolio without obtaining your consent for each transaction.

You cannot place restrictions on the types of investments that may be purchased or sold in your account.

In the absence of a contrary direction, Betterment periodically rebalances client portfolios so that in the face of fluctuating market prices, each Client's portfolio remains within a range of the target allocation. Accounts can go to all defensive positioning in negative market environments. Betterment also offers optional tax-loss harvesting and automated asset location services.

## **ITEM 17** Voting Client Securities

We do not have the authority to vote proxies as it pertains to the issuers of securities held in your account. The responsibility for voting your securities places increased liability to us and does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting your securities.

Therefore, you are responsible for voting all proxies for securities held in accounts managed by us. Typically, our qualified custodian will forward you your proxy information.

## **ITEM 18** Financial Information

We are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

We are currently not in, nor have been historically in a financially precarious situation or the subject of a bankruptcy petition.