

# Beacon Capital Management, Inc.

## Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of Beacon Capital Management, Inc. If you have any questions about the contents of this brochure, please do not hesitate to contact us at (937) 439-9093 or by email at: [bianchi@beaconinvesting.com](mailto:bianchi@beaconinvesting.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.

Registration of an Investment Adviser does not imply any level of skill or training. Additional information about Beacon Capital Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Beacon Capital Management Inc.'s CRD number is: 120641

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**ITEM 2: MATERIAL CHANGES**

There are no material changes in this brochure from the last annual updating amendment on 03/21/2019 of Beacon Capital Management, Inc. Material changes relate to Beacon Capital Management, Inc.'s policies, practices or conflicts of interests.

**ITEM 3: TABLE OF CONTENTS**

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#### ITEM 4: SERVICES FEES AND COMPENSATION

Beacon Capital Management (hereinafter “BCM”) offers wrap fee program services to its Investment Supervisory and Investment Advisory Services clients that will utilize TD Ameritrade as their custodian. BCM participates in a wrap fee program, which is an investment program where the investor pays one stated fee that includes management fees and transaction costs from the custodian. BCM does manage the investments in the wrap fee program. BCM does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to BCM as a management fee.

##### A. Description of Wrap Investment Advisory Services Offered

BCM offers the following wrap investment services to advisory clients (“Client”):

###### i. Investment Supervisory Services

BCM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each Client. BCM creates an Investment Management Planning Questionnaire for each Client, which outlines the Client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each Client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy • Personal investment policy
- Asset allocation • Asset selection
- Risk tolerance • Regular portfolio monitoring

BCM evaluates the current investments of each Client with respect to their risk tolerance levels and time horizon. BCM will request discretionary authority via an Investment Advisory Agreement from Client in order to select securities and execute transactions without permission from the Client prior to each transaction. Risk tolerance levels are documented in the Investment Management Planning Questionnaire, which is given to each Client.

###### ii. Investment Advisory Services

BCM provides Investment Advisory Services to Clients who are introduced to BCM through investment advisor representatives (“Advisors”) representing Registered Investment Advisers (“Advisor Firm”) in which services are rendered to Clients by BCM and by the Advisor Firm as dictated by a “tri-party agreement” or “co-advisory agreement” executed by Client, BCM and Advisor Firm. Additionally, BCM provides Investment Advisory Services to Clients who are referred to BCM through Advisors who represent Advisor Firms, and through individuals that are registered with a Broker-Dealer (“Soliciting Firm”), known as (“Solicitors”).

Investment Advisory Services for a Client require the Advisor Firm/Solicitor Firm, through its Advisors/Solicitors to introduce and assist Clients in establishing a relationship with BCM by providing, at minimum, the following services in their entirety:

- Assist Client in understanding the services and strategies provided by BCM and why Advisor is referring BCM for investment management services.
- Periodic Client contact to answer Client inquiries, update Client information, and acquire suitability information.
- Coordinate conference calls with BCM and/or, in the case of a Plan, the Plan’s record-keeper (“Record-keeper”) where appropriate.
- Assist Client in determining the most appropriate BCM model portfolio strategy or whether an “Advisor Customized” portfolio is more appropriate for use in the Client’s managed investment account (“Client Account”). An “Advisor Customized” portfolio refers to the Advisor’s ability to create their own BCM portfolio for a given Client by selecting individual mutual funds and/or by blending different BCM model portfolio strategies for use in Client Account. In addition, the Advisor is able to determine the target allocations for each individual mutual fund and/or the blended model strategies to be used in the Client Account in order to achieve the desired investment allocation for Client.
- Deliver the BCM Form ADV 2A, ADV 2A – Appendix 1 (if applicable), and BCM’s Privacy Policy statement to the Client at the time the referral to BCM is made, and such other documents as may be required to be delivered by Advisor under federal or state law. If Advisor is referring services through a Solicitor, then the Advisor must also deliver the Solicitation Disclosure Statement as required under the Investment Advisers Act of 1940 Rule 206(4)-3. Document and archive the delivery of these documents to the Client.
- Provide adequate suitability updates for the Client to BCM when applicable. Provide appropriate model updates to BCM based upon any changes or potential changes in the Client’s investment objectives or investment restrictions.

Once the Advisor Firm/Solicitor Firm and Advisor/Solicitor have worked with Client to determine the most appropriate BCM model portfolio strategy or Advisor Customized portfolio to be used for Client Account, BCM will manage the Client Account continuously based upon the portfolio’s goals and objectives, rather than on each Client’s individual needs. All Clients have the ability to request reasonable restrictions on how their account is allocated, but BCM may not be able to accommodate all restrictions based on specific mandates of particular strategies. If BCM cannot accommodate a requested restriction, the Client will be notified and given the option to withdraw their request, or the Client can work with their Advisor/Solicitor to find an investment solution that meets the Client’s expectations. If BCM is unable to accommodate a Client’s requested restrictions, the Client will need to find another firm to help meet their financial objectives.

As BCM manages the Client Account, the Client Account’s actual stock-to-bond ratio will deviate around the target stock-to-bond ratio of the model portfolio. Although the Client Account’s target stock-to-bond ratio will be maintained, BCM may change the specific mutual funds, Exchanged Traded Funds (“ETFs”) or other investments being used in the Client Account at BCM’s discretion.

BCM will require a New Account Package from each Client that details BCM’s responsibilities to the Client, the Advisor’s responsibilities

to the Client and the Client's responsibilities to BCM. Also, via the New Account Package, Client will provide to BCM some but not exclusively the following information: basic personal and suitability information, desired investment allocation, Advisor authorization (if desired), discretionary trading authority, authorization for direct management fee deduction and acknowledgment and agreement on the amount of management fees to be assessed to Client Account on an annual basis by BCM or by BCM and Advisor Firm.

The following are the model portfolio strategies BCM currently offers via Investment Advisory Services:

**a. Beacon Vantage 1.0 Portfolio Strategies**

The Beacon Vantage 1.0 Portfolio strategies utilize an asset-class diversification strategy based on the work of Eugene Fama and Kenneth French, which emphasizes small company stocks and value stocks.

**Investor Objectives** – The Beacon Vantage 1.0 Portfolios are for investors with a long-term perspective. Rather than attempting to “beat the market,” these portfolios are designed to capture the returns from investments that we believe have been proven with academic research to compensate investors over the long-term. Investors are willing to accept short-term underperformance to increase the probability of long-term results.

**Asset Allocation** – The Beacon Vantage 1.0 Portfolios are designed to take advantage of superior long-term returns which can be delivered by small company and value stocks. These portfolios tend to invest in small company and value mutual fund equity products diversified across domestic, international and emerging markets. On the fixed income side, the 1.0 Portfolios seek to apply equal weight to intermediate government and inflation protected investment products.

**Risk Management** – The Beacon Vantage 1.0 Portfolios utilize a risk optimization process that manages volatility with a strict “risk budget” for each portfolio. During periods when small company and value stocks have high volatility, the portfolio's allocation is shifted to a heavier fixed income investment to stay within the “risk budget.” The same but opposite principle is applied when small company and value stocks have relatively low volatility.

The Beacon Vantage 1.0 Portfolios service typically invests in 5-12 different mutual funds purchased at Net Asset Value (“NAV”). Front-end sales loads are avoided with this service.

The minimum account size for the Beacon Vantage 1.0 Portfolio strategies is \$25,000.

**b. Beacon Vantage 2.0 Portfolio Strategies**

The Beacon Vantage 2.0 Portfolio strategies utilize an asset-class diversification strategy based on the work of Burton Malkiel, which states that analysts don't have all the information necessary to predict movements in the market, that each sector of the market responds uniquely to given economic conditions, and that sectors seldom move in tandem with one another. It is this thought process that has led BCM to use sectors as the primary investment vehicle for the Vantage 2.0 Portfolio strategies.

**Investor Objectives** – The Beacon Vantage 2.0 Portfolios are for investors seeking more consistent results. These portfolios are designed to avoid significant losses while attempting to generate consistent returns. Investors are willing to sacrifice the highest possible returns in the market for a higher level of risk control.

**Asset Allocation** – The Beacon Vantage 2.0 Portfolios are highly diversified across all market sectors and are constructed using three primary portfolios comprised of stocks, bonds and cash. For stocks, these portfolios are diversified across 11 different market sectors. Rather than attempt to predict which sector, such as technology, health care or energy, is going to be in favor, these portfolios invest in all sectors equally. BCM applies this same equal-weighting approach to our bond portfolio which consists of Long-Term, Intermediate-Term and Short-Term fixed income holdings. A cash position is maintained for each Vantage 2.0 Portfolio and the amount of that cash position can range from one to five percent depending on the risk tolerance selected.

**Risk Management** – The Beacon Vantage 2.0 Portfolios utilize a stop-loss strategy that automatically withdraws investors from their equity positions if the investment loss of the Vantage 2.0 Benchmark Index hits a predetermined amount. This approach attempts to provide a safety valve during extreme bear markets when standard asset allocation diversification may not be enough to protect an investor's principle.

The Beacon Vantage 2.0 Portfolio strategies typically invest in 11-15 different exchange-traded funds (ETFs). There are no sales loads with this service.

The minimum account size for the Beacon Vantage 2.0 Portfolio strategies is \$25,000.

**c. Beacon Vantage 3.0 Portfolio Strategies**

The Beacon Vantage 3.0 Portfolio strategies utilize an asset-class diversification strategy based on the work of Burton Malkiel, which states that analysts don't have all the information necessary to predict movements in the market, that each sector of the market responds uniquely to given economic conditions, and that sectors seldom move in tandem with one another. It is this thought process that has led BCM to use sectors as the primary investment vehicle for the Vantage 3.0 Portfolio strategies.

**Investor Objectives** – The Beacon Vantage 3.0 Portfolios are for investors seeking more consistent results. These portfolios are designed to avoid significant losses while attempting to generate consistent returns. Investors are willing to sacrifice the highest possible returns in the market for a higher level of risk control.

**Asset Allocation** – The Beacon Vantage 3.0 Portfolios are highly diversified across all market sectors and are constructed using three primary portfolios comprised of, stocks, bonds and cash. For stocks, these portfolios are diversified across 11 different market sectors. Rather than attempt to predict which sector, such as technology, health care or energy, is going to be in favor, these portfolios invest in all sectors equally. BCM applies this same equal-weighting approach to our bond portfolio which consists of Extended Duration, Long-Term, Intermediate-Term, Inflation Protected and Short-term fixed income holdings. A cash position is maintained for each Vantage 3.0 Portfolio and the amount of that cash position can range from one to five percent depending on the risk tolerance selected. In addition to BCM’s normal Aggressive, Balanced and Conservative models which are offered for all model portfolio strategies, the Vantage 3.0 investment lineup also offers an Alternative and Bond model. The Alternative model seeks equal investment across Currencies, Commodities and Private Equity investment products. The Bond model consists of just the Extended Duration, Long-Term, Intermediate-Term, Inflation Protected and Short-term fixed income holdings. The Bond model never invests in stocks and the holdings also target an equal weight.

**Risk Management** – The Vantage 3.0 Portfolios offer broad diversification with proprietary targeted loss reduction protections at the sector/holding level. Each holding within a Vantage 3.0 portfolio is able to move independently and is designed to mechanically step in and out of the market as pre-determined data points signal it is necessary to protect from potential drastic losses while still seeking to participate in market opportunities.

The Beacon Vantage 3.0 Portfolio strategies typically invest in 5-19 different exchange-traded funds (ETFs). There are no sales loads with this service.

The minimum account size for the Beacon Vantage 3.0 Portfolio strategies is \$25,000.

**d. Beacon Vantage 3.0 American Portfolio Strategies**

The Beacon Vantage 3.0 American Portfolio strategies utilize a tactical asset-allocation investment methodology built in collaboration with American Funds’ Capital Markets Team. With the Vantage 3.0 American Portfolios, BCM has created an option that substitutes our normal first line of defense, equal allocation, for access to the investment committees of American Funds that back and proactively manage each of their mutual funds. This allows the portfolios to be more highly correlated with, and achieve performance more in line with, general markets, which are often measured by indexes like the Dow Jones Industrial Average and the S&P 500. Our Vantage 3.0 American Portfolios are not only comprised of highly respected American Funds mutual fund products, but they also implement a layer of risk management for investors through the Vantage 3.0 strategies’ loss-reduction mechanics.

**Investor Objectives** – The Beacon Vantage 3.0 American U.S. and International Portfolios are for investors seeking returns that more closely track the performance of large capitalization domestic and developed market indexes, while Bond Portfolio investors are seeking returns more highly correlated with global fixed income markets, but that also understand and are willing to sacrifice the highest possible returns in exchange for downside risk management protections.

**Asset Allocation** – At the fund level, the Vantage 3.0 American Portfolios seek to benefit from the collective knowledge of American Fund’s investment committees. Offered exclusively to investors through financial advisors since 1931, American Funds, is often recognized for delivering superior long-term results through a robust global research and analysis process that screens for low expenses and high manager ownership. The Vantage 3.0 American Portfolios’ normal target allocations were established, in part, based upon the recommendations of, and in collaboration with, the American Funds’ Capital Markets Team. These allocations were assigned in order to achieve the optimal blend of diversification while adhering to the portfolios’ investment philosophy and objectives.

**Risk Management** - The Vantage 3.0 American Portfolios offer broad diversification with proprietary targeted loss reduction protections at the holding level. Each holding within a Vantage 3.0 American portfolio is able to move independently and is designed to mechanically step in and out of the market as pre-determined data points signal it is necessary to protect from potential drastic losses while still seeking to participate in market opportunities.

The Beacon Vantage 3.0 Portfolio strategies typically invest in 1-5 different American Funds mutual fund products at any given time that are diversified across domestic, international and world equity holdings in addition to domestic and international bond investments. There are no sales loads with this service.

The minimum account size for the Beacon Vantage 3.0 American Portfolio strategies is \$5,000.

**As of December 2019**

Total Wrap Assets Under Management	Maximum Annual Fee (including wrapped fees)	Maximum Annual Fee to BCM (excluding wrapped fees)
\$2,310,126,320	1.80% for Investment Supervisory Services .55% for Investment Advisory Services	1.80% for Investment Supervisory Services .55% for Investment Advisory Services

There is a minimum annual fee of \$400 charged by Beacon for both Investment Supervisory and Investment Advisory services. These fees are negotiable, and the final fee schedule is attached in the Investment Advisory Contract/Investment Management Agreement. Fees are paid monthly or quarterly in advance or in arrears depending upon Client situation, and Clients may

terminate their contracts with ten days' written notice. For fees charged in arrears, no refund policy is necessary. For fees charged in advance, refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract/new account package. Advisory fees are withdrawn directly from the Client Account with Client written authorization. The Client may also pay fees and expenses related to the Client's investments in the underlay mutual funds, ETFs or other investment vehicles used within their account. A description of these fees and expenses can be found in each funds' prospectus.

Services similar to those offered by BCM may be available elsewhere for more or less than the amount BCM charges for investment advisory services rendered to Clients enrolled in our wrap program.

For additional information regarding BCM's Fees and Compensation for advisory services provided, please see Item 5 of BCM's ADV Part 2A.

**iii. Services Limited to Specific Types of Investments**

BCM limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, third party money managers, REITs, insurance products including annuities, and government securities. BCM may use other securities as well to help diversify a portfolio when applicable.

**B. Contribution Cost Factors**

The program may cost the Client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program including the cost of the services if provided separately and the trading activity in the Client Account.

**C. Additional Fees**

Although the wrap fee program is one fee for all management and brokerage services, there may be additional fees not associated with the management of Client Account. These fees may include trading fees, national securities exchange fees, wire transfer fees, or other fees required by law.

**D. Compensation of Client Participation**

Neither BCM nor any representatives of BCM receive any additional compensation for the participation of Client's in the wrap fee program. However, compensation received may be more than what would have been received if Client paid separately for investment advice, brokerage, and/or for other services. Therefore, BCM may have a financial incentive to recommend the wrap fee program to clients.

**ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

BCM generally provides investment supervisory, investment advisory and separately managed account advisory services to the following Types of Clients:

- Individuals
- High-Net-Worth Individuals
- Pension and Profit-Sharing Plans
- Corporations or Business Entities

**A. Minimum Account Size**

BCM requires a minimum account of \$25,000 for the Beacon Vantage 1.0 Portfolio, Beacon Vantage 2.0 Portfolio and the Beacon Vantage 3.0 Portfolio strategies. BCM requires a minimum account of \$5,000 for the Beacon Vantage 3.0 American Portfolio strategies. These minimum account requirements may be negotiable at BCM's discretion based on the Client's individual circumstances. BCM may group certain related Client Accounts for the purposes of achieving the minimum account size.

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

**A. Selecting/Reviewing Portfolio Managers**

BCM will not select any outside portfolio managers for management of this wrap fee program. James Christopher Cook and Brandon Bianchi will be the portfolio managers for this wrap fee program.

**i. Standards Used to Calculate Portfolio Manager Performance**

BCM will use industry standards to calculate portfolio manager performance.

**ii. Review of Performance Information**

BCM reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed daily and is reviewed by BCM.

**B. Related Person**

No related persons act as a portfolio manager for the wrap fee program as described in this brochure. As such, there are no conflicts of interest with related persons and BCM will not select any related persons as portfolio managers for this wrap fee program.

**C. Advisory Business**

BCM offers investment supervisory and investment advisory services to its wrap fee program participants as detailed in Section 4 above. BCM



limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities, and government securities. BCM may use other securities as well to help diversify a portfolio when applicable.

**i. Client Tailored Services and Client Imposed Restrictions**

BCM offers the same suite of services to all of its Clients within the same type of Advisory Service. When applicable, specific Client financial plans and their implementation are dependent upon the Client Investment Management Planning Questionnaire which outlines each Client's current situation (income, tax levels, and risk tolerance levels) or the information obtained by BCM from the Client via the Advisor/Solicitor, both of which can be used to construct a Client specific plan to aid in the selection of a portfolio that matches its restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BCM from properly servicing the Client Account, or if the restrictions would require BCM to deviate from its standard suite of services, BCM reserves the right to end the relationship.

**ii. Wrap Fee Programs**

BCM participates in wrap fee programs. A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. BCM does manage the investments in the wrap fee program. BCM does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to BCM as a management fee.

**iii. Performance Based Fees**

BCM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a Client.

**iv. Methods of Analysis**

BCM's methods of analysis include fundamental analysis and technical analysis.

**a. Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**b. Technical analysis** involves the analysis of past market data; primarily price and volume.

**Investment Strategies**

BCM uses Long Term and Short-Term Trading strategies

**Investing in securities involves a risk of loss that you, as a Client, should be prepared to bear.**

**v. Material Risks Involved**

**Methods of Analysis**

**a. Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**b. Technical analysis** attempts to predict a future stock price or direction based on market trends and/or historical analysis. The assumption is that the market follows discernible patterns, and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns, and relying solely on this method may not work long term.

**Investment Strategies**

**a. Long Term Trading** is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**b. Short Term Trading** generally holds greater risk and Clients should be aware that there is a chance of material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a Client, should be prepared to bear.**

**vi. Voting Client Proxies**

BCM will not ask for, nor accept voting authority for Client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

**ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

James Christopher Cook and Brandon Bianchi are the portfolio managers for this wrap fee program. All Client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by James Christopher Cook and Brandon Bianchi via the Investment Management Planning Questionnaire or via the Client's Advisor, Advisor Firm or Solicitor of record. As that information changes and is updated, BCM is to

have immediate access to that information from the Client via a new Questionnaire or via information received on behalf of the Client from their Advisor, Advisor Firm or Solicitor of record. Once the updated information is collected, BCM will process and implement appropriate management updates.

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

BCM places no restrictions on Client's ability to contact its portfolio managers. James Christopher Cook and Brandon Bianchi can be contacted during regular business hours, and their contact information is on the cover page of this brochure.

## **ITEM 9: ADDITIONAL INFORMATION**

### **A. Disciplinary Action and Other Financial Industry Activities**

- i. Criminal or Civil Actions**  
There are no criminal or civil actions to report
- ii. Administrative Proceedings**  
There are no administrative proceedings to report
- iii. Self-regulatory Organization (SR) Proceedings**  
There are no self-regulatory organization proceedings to report.
- iv. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**  
Neither BCM nor its representatives are registered as a FCM, CPO, or CTA.
- v. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**  
BCM does not utilize nor select other advisors or third-party managers for its wrap program. All wrap assets are managed by BCM management.

### **B. Code of Ethics, Client Referrals and Financial Information**

- i. Code of Ethics**  
BCM maintains a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions (Initial Public Offerings and Limited or Private Offerings), Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Personal Securities Transactions Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any Client or prospective Client.  
  
BCM's Clients or prospective Clients may request a copy of its Code of Ethics by calling (937) 439 – 9093 or writing to Beacon Capital Management at 7777 Washington Village Drive, Suite 280, Dayton, Ohio 45459.
- ii. Recommendations Involving Material Financial Interests**  
BCM does not recommend that Clients buy or sell any security in which a related person to BCM has a material financial interest.
- iii. Investing Personal Money in the Same Securities as Clients**  
From time to time, representatives of BCM may buy or sell securities for themselves that they also recommend to Clients. This may provide an opportunity for representatives of BCM to buy or sell the same securities before or after recommending the same securities to Clients resulting in representatives profiting off the recommendations they provide to Clients. Such transactions may create a conflict of interest. BCM will always document any transactions that could be construed as conflicts of interest and will always transact Client business before or simultaneously with their own when similar securities are being bought or sold.
- iv. Trading Securities At/Around the Same Time as Client's Securities**  
From time to time, representatives of BCM may buy or sell securities for themselves at or around the same time as Clients. This may provide an opportunity for representatives of BCM to buy or sell securities before or after recommending securities to Clients resulting in representatives profiting off the recommendations they provide to Clients. Such transactions may create a conflict of interest. BCM representatives will always transact Client transactions simultaneously with, or before their own.
- v. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**  
Client accounts are reviewed on a regular basis by James Christopher Cook, Brandon Bianchi or other persons delegated to perform such tasks. They are the chief advisors and are instructed to review Clients' Accounts with regards to their investment advisory program, investment policies and risk tolerance levels.
- vi. Factors That Will Trigger a Non-Periodic Review of Client Accounts**  
Reviews may be triggered by material market, economic or political events, or by changes in Client's financial situations (such as retirement, termination of employment, physical move, or inheritance).
- vii. Content and Frequency of Regular Reports Provided to Clients**  
Clients engaged in wrap program investment supervisory and investment advisory services will receive at least quarterly a quarterly

performance evaluation report from BCM detailing the Client's Account. Each Client will also receive a monthly statement from their custodian detailing their Client Account.

**viii. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

BCM may receive some economic benefit from our custodians in the form of support products and services it makes available to us and other independent investment advisors that have their Client Accounts maintained at TD Ameritrade, Schwab or FCC. These products and services, how they benefit us, and the related conflicts of interest are also described in BCM's Form ADV 2A under Item 12 – "Brokerage Practices". The availability to us of products and services offered by TD Ameritrade, Schwab or FCC is not based on us giving particular investment advice, such as buying particular securities for our Clients.

As described in BCM's Form ADV 2A; Item 12; for Clients in need of brokerage or custodial services, and depending on Client circumstances and needs, BCM may recommend the use of one of several broker dealers, provided BCM can meet its fiduciary obligation of best execution. BCM Clients must evaluate these brokers before opening an account. The factors considered by BCM when making this recommendation are the broker's ability to provide professional services, BCM's experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker.

BCM participates in the following custodial programs which it may recommend to Wrap clients; the TD Ameritrade Institutional program, a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is a SEC registered broker dealer. TD Ameritrade is not affiliated with BCM. As part of this program, BCM receives benefits that it would not receive if it did not offer investment advice. Note there is no direct link between BCM's participation in the custodial program and the investment advice given to wrap clients.

TD Ameritrade offers services to independently registered investment advisers which include custody of securities, trade execution and clearance and settlement of transactions. BCM receives some benefits from TD Ameritrade through its participation in the custodian's program.

Clients directing us to manage accounts with a specific broker/dealer and their affiliated custodian, including those recommended by us, have the sole responsibility for negotiating commission rates and other transaction costs with the broker/dealer and/or custodian. Clients may be able to obtain lower transaction fee and/or charges with broker/dealers and custodians other than those selected by us, but they will not be eligible for enrollment in BCM's wrap fee program.

Broker dealers are required to supervise the securities trading activities of its representatives. Clients may request that brokerage transactions be directed to a particular broker or dealer. However, if BCM believes that the use of the Client's selected broker dealer would hinder the firm meeting its supervisory obligations, BCM will not be able to accept the account. Furthermore, if BCM believes that the use of that broker dealer would hinder BCM in meeting its fiduciary obligations, BCM will not be able to accept the account.

BCM and/or associated persons may, from time to time, receive incentive awards for the recommendation/introduction of insurance products. The receipt of this compensation may affect BCM's judgment in recommending products to its Clients. Associated persons of BCM may, from time to time, receive 12b-1 distribution fees from investment companies in connection with the placement of Client funds into investment companies. Schwab, TD Ameritrade and FCC also make available to BCM other products and services that benefit BCM but may not benefit its Clients' accounts.

Some of these other products and services assist BCM in managing and administering Clients' Accounts. These include; software and other technologies that provide access to Client Account data (such as trade confirmations and account statements), facilitating trade execution (and allocation of aggregated trade orders for multiple Client Accounts), access to funds with no transaction fees and to certain institutional money managers, facilitating payment of BCM's fees from its Clients' Accounts, providing research products and tools, pricing information and other market data, discounts on; compliance, marketing, research, technology, practice management products or services provided to BCM by third party vendors, and assisting with back-office functions, customer relationship management, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of BCM's accounts. Recommended brokers also make available to BCM other services intended to help BCM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

BCM does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, BCM endeavors to act in its Clients' best interests, BCM's requirement that Clients maintain their assets in accounts at Schwab, TD Ameritrade or FCC may be based in part on the benefit to BCM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

By receiving some of the additional products and services described above, BCM may receive certain additional economic benefits which may or may not be offered to other independent advisors that also participate in the Schwab, TD Ameritrade and FCC service programs. BCM's receipt of additional products and services does not diminish BCM's duty to act in the best interest of our Clients, including seeking best execution of trades for Client Accounts.

Through its participation in the TD Ameritrade program; BCM also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the TD Ameritrade program. Specifically, the Additional Services include; compensation for the consultation for and customization of Salesforce; a client contact management system. TD Ameritrade provides the Additional Services to BCM in its sole discretion and at its own expense, and

BCM does not pay any fees to TD Ameritrade for the Additional Services. BCM and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the Additional services provision. BCM’s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to BCM, TD Ameritrade likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, BCM’s Client Accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with BCM, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, BCM may have an incentive to recommend to its Clients that the assets under management by BCM be held in custody with TD Ameritrade and to place transactions for Client Accounts with TD Ameritrade. BCM’s receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including seeking best execution of trades for Client Accounts.

**ix. Compensation to Non-Advisory Personnel for Client Referrals**

BCM enters into soliciting arrangements with Registered Investment Advisers, an affiliated Broker-Dealer of a Registered Investment Adviser, or a Broker-Dealer (“Solicitors”) pursuant to which the representatives of their firms (“Advisors”) offer our services to the public. Through these arrangements, BCM may pay a cash referral fee to the Solicitor and/or a Soliciting Advisor based upon a percentage of our investment management fee. The amount of the referral fee is disclosed to Client via the Client’s Investment Management Agreement and Solicitation Disclosure Statement. In connection with these arrangements, BCM will comply with Rule 206(4)-3 under the Advisers Act.

The referral fee is paid pursuant to a written agreement, which is retained by the Solicitor, the Soliciting Advisor, and BCM. This information is disclosed to you prior to or at the time of entering into an Investment Management Agreement with BCM. Solicitors, on their own and not related in any way to their solicitors’ agreements with BCM and not on BCM’s recommendation, may also sell insurance, annuities, mutual funds, stocks, bonds, and/or limited partnerships to Clients. These Solicitors may receive separate and typical commissions on the sale of these products. BCM may pay a portion of the investment management fee to other affiliated or non-affiliated parties who assist with certain administrative tasks associated with the management of your Client Account.

**x. Balance Sheet**

BCM does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

**xi. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither BCM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to Clients.

**xii. Bankruptcy Petitions in Previous Ten Years**

BCM has not been the subject of a bankruptcy petition in the last ten years.