

Disclosure Brochure for:

# Beaumont Financial Partners, LLC

*a Registered Investment Advisor*

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This brochure (Form ADV Part 2) provides information about the qualifications and business practices of Beaumont Financial Partners, LLC (“Beaumont”), and its separate division, Beaumont Capital Management (“BCM”). Please direct questions about the content of this brochure to Michael Snyder, the firm’s Chief Compliance Officer, at either of the numbers above or by email at [msnyder@bfpartners.com](mailto:msnyder@bfpartners.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. Additional information about Beaumont is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Beaumont Financial Partners, LLC is an SEC Registered Investment Advisor. Registration does not imply a certain level of skill or training.

March 2019

**Item 2 – Material Changes**

**This section will only discuss material changes since last year’s annual update and may not include all changes since the last update.**

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#### **Item 4 – Advisory Business**

##### **A. Describe your advisory firm, how long you have been in business and identify principal owners.**

Beaumont Financial Partners, LLC (“Beaumont”) organized in 1999. Its predecessor firm, Beaumont Trust Associates, started as a registered investment advisor in 1981.

Beaumont delivers a comprehensive range of wealth management and family office services to affluent individuals and families, small businesses, and select institutions. Our seasoned tax preparation and financial planning capabilities and services complement our core investment management business.

The Class A member (managing partner) ownership ranges are: Thomas J. Cahill (25-50%), David M. Haviland, via H & Co Financial Services, Inc. (25-50%) and Lawrence A. Fiore (1-5%). Mr. Haviland is the 100% owner, sole shareholder, and President of H & Co Financial Services, Inc. The Class B (non-voting) members are Philip Dubuque (10-25%), James Oates (5-10%) and Richard Burnes Jr. (5-10%).

Beaumont Capital Management (“BCM”) was established in 2009 as a separate division of Beaumont to provide investment advisory services exclusively through a series of rules-based investment strategies using long-only Exchange Traded Funds (ETF). BCM offers these strategies as Separate Managed Accounts (SMAs), Unified Managed Accounts (UMAs) and as a sub-advisor and model manager.

##### **B. Describe the types of advisory services offered.**

Beaumont provides investment management for its clients using one or more custodians. Each relationship typically begins by gathering information from prospective investment clients including, but not limited to the following:

- current financial situation;
- investment objectives;
- income needs, risk tolerance, and time horizon;
- current investments and existing portfolio composition; and
- other factors pertaining to their unique situation and familial considerations.

Beaumont uses this information to develop target asset allocations consistent with each clients’ response. From that point, Beaumont manages the client’s assets according to the agreed upon investment allocation. Beaumont provides additional services to many investment clients, such as assistance with tax preparation and/or financial planning, typically for an additional fee. The individual need and desire of each client determines the depth and formality of the planning process. Ongoing planning or plan updates are also available upon request.

BCM works with clients to help determine which investment strategy, or strategies, is most appropriate using similar criteria to those listed above for Beaumont.

##### **C. Explain if, and how, you tailor your advisory services to the individual needs of clients. Also, explain if clients may impose restrictions on securities or types of securities.**

Beaumont takes the opportunity to learn about the financial condition, needs, goals and objectives of each client. This information, combined with their risk tolerance, determines which of our investment profiles/strategies are most appropriate for each client. Beaumont manages each account consistent with the clients’ goals, risk tolerance, overall financial situation and other factors in mind, however reserves the right to invest their accounts more conservatively at any time.

A client's actual holdings may vary from their long-term target allocations due to market fluctuation, investment gains/losses, contributions and/or withdrawals, non-managed securities, client specific restrictions, client requests and other circumstances (i.e. tax loss selling).

Beaumont clients may impose restrictions, if done so in writing, on certain securities or types of securities. We typically document these restrictions in the clients' initial paperwork and with their profile in our client relationship management (CRM) electronic database. We follow the same process for restrictions added later into the relationship. In addition, as appropriate the traders will add the restriction to our trading software to make it easily identifiable when trading.

BCM does not allow restrictions for investments in BCM strategies. By design, BCM manages each account within a given strategy to have the same positions and allocation.

**D. If you participate in wrap fee programs by providing portfolio management services, describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and explain that you receive a portion of the wrap fee for your services.**

Beaumont invests client accounts in individual equities, bonds, mutual funds, ETFs, and other investment options. The Beaumont Investment Committee makes investment recommendations for Beaumont client accounts; individual relationship managers ultimately decide how much, which, and when to buy or sell an investment for their clients' accounts.

Accounts invested in BCM strategies, via wrap programs or direct business, are managed consistent with other clients in the same strategy. This is different from the more traditional Beaumont wealth management accounts, with the main differences being the BCM strategies only use ETFs and money market funds, investment decisions primarily based on quantitatively researched, rules-based programs, and all clients in a given BCM strategy should have the same investment allocation.

BCM is a participating manager on multiple wrap programs. BCM receives an annual management fee, typically paid quarterly from the total fee paid by the client. The total fee will vary by strategy, platform, and wrap program based on services provided. BCM outlines its fee rate for direct business in the clients' Advisory Agreement.

The account minimums (for non-direct BCM business) are subject to the sponsor, platform and custodian terms, conditions and fees. BCM receives a portion of these wrap fees for management services provided. See Item 5 for more information about fees and compensation. BCM will also receive a portion of the wrap fee for direct client business for management and advisory services provided.

BCM strategies are available on multiple platforms. BCM manages strategies with the same characteristics (goal, objective, benchmark, etc.) consistently across each platform using the same process. Strategies have standard trading frequencies when they typically buy/sell positions. This could be weekly, monthly or another predetermined and disclosed cycle. When a BCM system determines a trade is necessary, BCM will communicate desired trades or allocation percentage to each wrap program. Each platform sponsor will determine the proper amount of shares to execute to achieve the desired allocation, and will submit the orders to the various custodians they use. Platform sponsors each have their own trade-day schedule and cut-off times to ensure what they believe to be equitable trading for their clients. The WRAP sponsors are responsible for trade execution in most instances; therefore, the performance of two identical strategies may vary slightly from one wrap program to another.

The host custodian will typically set the minimum account size for dual contract client relationships, which will vary. Direct BCM client business participating in a wrap program is also subject to the terms, conditions and fees of the wrap sponsor and each custodian. These may include, but are not limited to, fixed minimum sponsor and custodial fees for smaller accounts.

**E. Assets Under Management: discretionary and non-discretionary.**

As of December 31, 2018, Beaumont had ~ \$4.09 B in total assets under management and assets under advisement\*:

Discretionary: ~\$1.35 B                      Non-discretionary: ~\$464 M                      Assets Under Advisement: ~\$2.28 B

\*The assets under advisement include assets from model management agreements, from wrap programs and other turnkey asset management programs. The discretionary and non-discretionary assets listed above combine to total the firm's regulatory assets under management reported on Form ADV Part 1.

**Item 5 – Fees and Compensation**

**A. Describe how you are compensated for your advisory services. Provide a fee schedule and disclose if fees are negotiable.**

The annual investment management fees for Beaumont Wealth Management clients are:

- typically charged as a percentage of assets under management
- typically range from 0.60% to 1.00%

Beaumont fees are typically based on client AUM, asset mix, complexity and other circumstances. The managing partners reserve the right to waive a portion, or all, of a client's fee and any minimum account size requirement.

1.A (7) Beaumont also provides financial planning services, tax preparation, and accounting services for an additional fee. The cost for these services varies depending on the complexity of the clients' finances and time to complete; with consideration often given if Beaumont manages the clients' assets. Some clients "bundle" the fees for multiple services into the management fee.

Beaumont also receives compensation through client relationships solely for providing research about alternative investments. The compensation structure varies for these relationships, including time spent, scope and limit of investment, reach, etc.; however it is determined prior to the start of the relationship and services provided.

The annual BCM management fee for direct clients is normally a percentage of assets under management with the fee typically ranging from .60% to 1.50% (depending on the strategy). In addition, BCM receives approximately .20% to .50% as sub-advisor to Collective Investment Funds and .35% to .50% for Wrap Programs. BCM does not double charge or receive duplicate fees for any services provided.

Actual management fees will vary by account size, type (SMA vs. UMA, single vs. dual contract, etc.) and investment strategies used. Custodial and transaction fees vary and are in addition to the management fee paid to BCM. BCM client accounts with a balance under \$250,000 may be subject to higher minimum custodial and platform fees, possibly resulting in a higher fee percentage. The platform and related fees are subject to change.

A BCM fee schedule is included as part of the BCM investment advisory agreement (contract) and is available upon request.

Other Client Relationships including Broker, Advisor, Sub-Advisor and Model Manager:

In addition to direct clients, BCM also conducts business with other investment professionals. BCM participates in Dual Contracts, Solicitor Agreements, Sub-Advisory Agreements, Model Manager Agreements and WRAP Programs. The management fees charged and collected by BCM for each of these arrangements will vary as outlined above, with additional fees charged by the custodian, sponsor, other brokers/advisors, etc. Account minimums will also vary by broker, advisor, sponsor, etc.

**Describe whether you deduct fees from clients' assets or bill clients for fees incurred. Disclose if clients may choose which method they prefer. Explain how often clients are billed or have fees deducted.**

The Beaumont investment advisory agreement normally identifies the clients' choice of having their fees deducted from their account or receive an invoice. Beaumont recommends having the ability to deduct fees directly from accounts to simplify the recordkeeping and payment process. The client will typically receive a quarterly billing notification (statement) showing the calculation used to determine their fee, regardless of the payment method chosen. Custodial statements reflect any fee deducted from an account.

Beaumont typically bills clients' investment management fees quarterly, *in arrears*, based on an average (available) daily market value of the portfolio for each calendar quarter. Fees are charged or refunded in a prorated manner to the end of the quarter upon inception or termination of an account. A client, or Beaumont, may cancel the Investment Advisory Agreement at any time by providing 5-days written notice to the other party. The notice period is to allow any outstanding transactions (trades, outstanding checks, transfers, etc.) to settle.

BCM normally charges client quarterly in *advance*, based on the ending account balance of the previous calendar quarter. BCM prorates these fees for the period upon inception or termination of a BCM account. BCM fees are calculated and deducted by the sponsor/platform and submitted to BCM. Each sponsor/platform has their own fee calculation process. Exceptions may be possible for dual contract clients where BCM has the ability to modify how the fee is charged (*arrears or advance*); and when the fee is calculated, to be consistent with the billing method of their chosen custodian or primary advisor.

Fees deducted from an account will appear on the custodial statements and, in most cases, can be viewed online via the custodian's or TAMP website. A client, or BCM, may cancel the BCM Investment Advisory Agreement at any time by giving 5-days written notice to the other party. There is no termination fee for ending the relationship and the wrap sponsor and custodian will credit the clients' account for any unearned fees paid to BCM. The amount is calculated pro rata for that (quarterly) period.

**B. Describe any other types of fees or expenses clients may pay in connection with your advisory services.**

Beaumont clients should be aware that investments in mutual funds, ETFs, alternative investments and certain other securities result in the payment of multiple fees including fees and expenses of the ETFs, alternative investments, and mutual funds as disclosed in the funds' prospectuses or disclosure document, and trading fees, in addition to Beaumont's advisory fee.

BCM clients should also be aware that investments in ETFs and other securities, including money market funds, have additional fees including the fees and expenses of the funds themselves and any applicable trading costs, in addition to the BCM management fee.

These are additional expenses incurred directly at the custodian/broker dealer level, and neither Beaumont nor BCM receives compensation from these additional expenses or commissions. These charges are an inherent cost associated with investing.

It is important to note that other fees, including platform, mutual fund transaction fees, custodial and trading, apply at each custodian. Other fees paid by the client include short-term trading fees, alternative investment fees, wire fees, and other miscellaneous fees. Commissions and fees are sometimes negotiable at each custodian. The custodian/broker keeps 100% of commission and transaction fees. A platform sponsor or custodian may charge an additional fee if certain minimums, or other requirements, are not met. Neither Beaumont nor BCM will receive any of the fees mentioned in this paragraph.

Additionally, both Beaumont and BCM may “trade away” in an effort to obtain best execution. The firm will consider the trade-away fee charged by the custodian, security price and other factors prior to using this tactic. The fees and/or commissions vary by custodian and broker, and, because of these additional fees, may not be advantageous to the client. Not all custodians or trading desks charge fees for trading away while others typically range from ~\$10-40, or more, per transaction. Any commission would be in addition to this amount. Neither Beaumont nor BCM would receive a fee, commission or other compensation for trading away.

See Item 12 for additional information about our Brokerage Practices.

**C. Disclose if your *clients* either may or must pay your fees in advance, and how they may obtain a refund and how it would be calculated if the advisory contract is terminated.**

See Item 5.A.

**D. Disclose if you or any of your *supervised persons* accepts compensation for the sale of securities or other investment products.**

No individual at Beaumont or BCM will receive compensation tied directly to the sale of securities or other investment products.

There have been, and may be, instances when an ETF provider, vendor, co-sponsor or other party will contribute to the cost of BCM attending a conference or similar industry event. There would be no impact to our clients’ fees (no additional cost) for this assistance. Conversely, BCM may also provide support to an event hosted by an advisor, distributor of the BCM strategy, etc.

See Item 6 for related information.

**Item 6 – Performance-Based Fees & Side-By-Side Management**

**If you or any supervised person accept performance-based fees, or manage accounts that are charged a performance-based fee and charged another type of fee.**

Neither Beaumont nor BCM currently charge performance based fees.

**Item 7 – Types of Clients**

**Describe the types of clients to whom you generally provide investment advice.**

Beaumont and BCM provide investment advice to many types of clients including:

- Individuals/families
- Trusts/estates
- IRAs
- Pension, profit sharing and retirement plans (i.e. defined benefit and defined contribution)
- Corporations, non-profits and college endowments
- Unaffiliated RIAs and broker/dealers
- Trust companies
- Wrap Programs and Platforms
- Collective Investment Funds (CIFs)

A client relationship includes any family, professional or other logical association. Beaumont and BCM typically aggregate family accounts, of a client relationship, with respect to the fee schedules and the minimum client account requirements. There are client relationships, and their family members, grandfathered from current requirements based upon their original conditions for starting or maintaining their accounts.

### **Item 8 – Methods of Analysis, Investment Strategies & Risk of Loss**

#### **A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain the risk of loss that *clients* should be prepared to bear.**

Beaumont employs both technical and fundamental analytics when reviewing securities. In addition to these measures, our analysis includes studying, and the daily review of, numerous trade publications, brokerage research and corporate reports. We also utilize resources such as Bloomberg, Morningstar and Value Line. Additionally, Beaumont utilizes computer software programs in the preparation of financial plans and plan updates.

The analysts typically meet weekly, as part of the Investment Committee, to discuss investment opportunities believed to be worth pursuing as well as current holdings. Once the committee determines a security is appropriate for client accounts, the committee will determine the client strategies that are most suitable to invest in that security (given the clients' objective, risk tolerance, cash needs, etc.) and the appropriate weighting for the position. The Relationship Managers often determine the suitability of the securities recommended by the Investment Committee for each of their clients (accounts).

It is important for investors to understand that investing, in any type of security, involves the risk of loss of principal. Equity securities (and similar vehicles) have typically experienced more volatility over time, while historically less volatile securities, such as bonds (or cash) come with their own inherent risks, including interest rate risk, credit risk, and/or inflation risk. The relationship manager discusses investment risks with clients at the onset of the relationship to ensure the investor understands the risks associated with their investment strategy before investing their money.

Instead of the simplistic cash-bond-stock breakdown, Beaumont uses a more encompassing method of security definition called *The Dominant Benefit Theory of Investing*. Using this theory, Beaumont categorizes investments into one of the following five distinct categories based on the dominant characteristics of the investment:

1. **Safety**: The goal is stability of the investment principal. Risk and commensurate reward are relatively low. Examples include money market funds, certificates of deposit and fixed annuities.
2. **Income**: The goal is current interest income. While principal risk exists, the dominant benefit is the anticipated steady income by the security. Examples include most types of bonds.

3. Equity Income: The goal is current, relatively high dividend income, with growth as a secondary objective. Capital appreciation/depreciation potential and risk are more similar to Growth investments. Examples include preferred stock, private placement notes, alternative investments and real estate limited partnerships.
4. Growth: The goal is capital appreciation, with any income paid providing a secondary benefit. Examples include common stocks with dividends, mutual funds containing growth stocks and alternative investments. Principal is at a higher risk of loss.
5. Aggressive Growth: The goal is to obtain significant capital appreciation. Typically, income these types of securities do not provide income, and the risk of principal is higher than with the other categories. Examples include non-dividend paying stocks, aggressive growth mutual funds, alternative investments, most commodity based investments and initial public offerings.

While the target allocations are a strategic, long-term guide that Beaumont uses to manage client accounts, Beaumont reserves the right to become more conservative, or significantly reduce exposure to any category, at any time. This would be more likely to occur when the Firm's outlook on the market is not optimistic about Growth or Aggressive Growth investments. In doing so, Beaumont may shift assets into "Safety," Fixed Income or Equity Income investments as defined above. Beaumont may become more aggressive in the allocations, if appropriate, by notifying clients ahead of time.

A client's actual holdings may vary from their long-term target allocations due to market fluctuation, investment gains/losses, contributions and/or withdrawals, non-managed securities and client specific restrictions, client requests and other circumstances. Beaumont asks clients to notify their Relationship Manager promptly, in writing, of changes to their financial situation and/or their investment objectives that may warrant a change to their long-term target allocations. An investment approved by the Investment Committee may or may not be appropriate for all clients. Each Relationship Manager typically determines the appropriateness of an investment for their individual client accounts.

For small and mid-sized accounts (typically under \$150,000), Beaumont may recommend employing a model portfolio consisting of either mutual funds, exchange-traded funds ("ETF") or a combination of the two. This approach seeks to minimize trading costs, reduce risks caused by having a less diversified smaller account, and helps ensure consistent management.

Beaumont, where appropriate, uses or recommends private placements, hedge funds and other alternative investment opportunities as part of a portfolio allocation to clients. Some of these investments are only available through a 3<sup>rd</sup> party or separate investment advisor. The sponsor typically requires the client to complete subscription documents, or an application, prior to allowing them to participate in these investments. Beaumont does not receive additional compensation from the 3<sup>rd</sup> party sponsors for using or recommending them; however Beaumont would include these assets, as part of the client's quarterly Beaumont fee calculation, as a portion of their overall allocation. A separate fee structure may be used for recommending alternative or private placement investments. The relationship manager will inform clients of additional risks associated with these investments (regulatory, liquidity, credit, principal, counterparty, etc.) to ensure they are aware of, and consider them prior to investing. These risks are included in the Limited Partnership Agreement and/or offering material furnished by the private placement sponsor.

BCM conducts in-house research of rules-based systems for the majority of the BCM strategy suites. For its Decathlon series, BCM receives investment research from Algorithmic Investment Models, LLC ("AIM"). BCM uses this research as a primary informational input in its management of the Decathlon strategies. The BCM analysts review the research for all BCM strategies daily and engage in weekly BCM Investment Committee meetings where they closely monitor the strategies. BCM has discretion to use this research, as it deems appropriate, and may incorporate research and recommendations from the Beaumont Investment Committee, as well as public third

party sources for the fundamentally managed allocation of certain BCM strategies. BCM solely uses long-only ETFs and money market funds in its strategies.

**B. For each significant investment strategy or method of analysis used, explain the material risks involved. Explain any significant or unusual risk and disclose how, if applicable, frequent trading can affect performance.**

Please see Item 8.A. above.

In addition, 4.C(7) Beaumont provides certain advisory services through its separate division, BCM. The sector-based research is derived from software engines, or systems, designed to identify positive and negative momentum of the sectors of the S&P 500® Index. BCM uses this information as the basis of several of its sector strategies. BCM also applies this concept to other indices, including, but not limited to, the S&P Small Cap 600® Index and the S&P Global 1200 Index, for other strategies.

BCM adds its own global macroeconomic overlay and investment themes for certain fundamental allocations in the BCM Sector Strategies. The global macro and international portions of the strategies may incur additional risk due to the added economic, currency exchange, political, social and regulatory uncertainty and volatility. There is also a fundamental fixed income allocation and separate fixed income strategies. The investments for these fixed income components are typically determined during discussions, with research presented, at weekly Investment Committee meetings. The strategic asset allocation of each sector rotation strategy will vary by strategy. This strategic asset allocation will typically equal weight the sectors owned. This approach, opposed to market weighting, often leads to the BCM sector strategies being overweight or underweight to some sectors of the S&P 500 (or other applicable indices). This could result in the strategy incurring concentration (non-diversification) risks.4.B(5)

The BCM Sector strategies have the ability to trade on a weekly basis (which may result in higher trading costs due to more frequent trades), whereas other strategies typically trade on a monthly basis. BCM has the ability to set a “drift” percentage to minimize smaller trades from being processed and help reduce unnecessary trading costs. The drift is essentially an allowable variance to the target allocation.

The BCM Decathlon strategies typically rebalance every 25 trading days; however, with investment discretion it may trade around a 23-27 trading day cycle. These quantitative strategies may have higher turnover and trading costs than more traditional investments. BCM licenses investment research from AIM for the Decathlon strategies. Similar to the BCM Sector strategies, BCM has full investment discretion over the Decathlon portfolios and also has the ability to trade these strategies more frequently (than every 25 trading days) if deemed necessary. However, we do not anticipate this to happen with any regularity. The goal is to utilize this option only during abnormal, extreme market conditions. Decathlon strategies utilize a specific, hand-chosen population of over 100 ETFs (which includes many asset classes, multiple market capitalizations, global geographic exposure and a broad selection of fixed income and currency ETFs). BCM manages this pool of ETFs and the pool is subject to change. The BCM Decathlon strategies are predictive in nature based on historical price patterns in various markets, sectors, etc. and will ideally hold 10 equal weight positions from the hand-chosen ETF pool. Additional risk associated with these strategies would occur when current conditions are unique and unlike any historical patterns.

The BCM Paradigm suite utilizes a software system that attempts to allocate a higher percent of the strategy to investment candidates that look attractive shorter-term, and less or none at all to those that are viewed as being less attractive shorter-term. This decision is predicated on a set of models created based on a variety of timeframes using ETF and index price data converted into a volatility signal from which an ultimate determination

is made about each candidate's overall attractiveness, i.e., a trade-off between potential return and potential risk (both volatility and drawdown). The BCM Paradigm strategies have the ability to trade on a weekly basis (which may result in higher trading costs due to more frequent trades), but have typically traded less frequently. BCM sets a "drift" percentage to minimize smaller trades from being processed and helping to reduce unnecessary trading costs. The drift is essentially an allowable variance to the target allocation. BCM purchased these strategies (algorithms, systems, etc.) in 2017 from the third party who created them. A portion of the fees collected from the BCM Paradigm strategies is paid to them.

The BCM *DynamicBelay*<sup>®</sup> Funds, which are sponsored by Hand Benefits & Trust Company, a BPAS company, are collective investment funds (CIFs) that invest in BCM strategies and ETF positions. BCM serves as the sub-advisor to the CIFs that use both strategic and tactical allocations, equity and fixed income, for a combined passive and active management offering. These collective investment funds are available for investment by eligible qualified retirement plan trusts only and created specifically for 401(k) and other employer-sponsored retirement plan investors. Plan sponsors and participants should consider the funds' investment objectives, risks, time horizons, charges and expenses carefully before investing. Consideration needs to be given to the participants risk tolerance and financial circumstances.

As with all investments, there are associated inherent risks, including loss of principal. Fixed income investments are subject to inflationary, credit, market and interest rate risks. Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Sector investments concentrate in a particular industry, and the investments' performance could depend heavily on the performance of that industry and be more volatile than the performance of less concentrated investment options and the market as a whole. Securities of companies with smaller market capitalizations tend to be more volatile and illiquid than larger company stocks. Smaller companies may have no, or relatively short, operating histories or be newly public companies. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.

ETFs typically trade like stocks and are subject to investment volatility and the potential for loss. The principal amounts invested in ETFs are not protected, guaranteed or insured. Diversification into many ETFs does not ensure a profit or protect an investor from loss. The risks above are particularly significant for ETFs that focus on a single country or region. High frequency trading could result in lower returns due to an increase in trading costs, as well as an increase in realized capital gains/losses.

**C. If you recommend primarily a particular type of security, explain the material risks involved.**

Beaumont does not primarily recommend a particular type of security. However, there are instances where clients are looking for investment opportunities with different features than those covered for typical Beaumont relationships. Beaumont personnel research alternative investments, conduct due diligence and present ideas believed to offer opportunity to appropriate, eligible clients. Clients are normally responsible for reviewing provided documents, completing applications or other paperwork, and submitting them to participate in these opportunities. Beaumont will facilitate the process as a service to clients. These opportunities can be as, if not more, volatile as the stock market in general, and run the risk of losing the principal amount invested. These alternatives are generally less transparent and are not always priced or valued on a daily basis.

There are instances where existing Beaumont clients are the sponsor of, or associated with the sponsor of, alternative investments recommended to other clients. Beaumont does not receive compensation from the sponsor or the alternative investment for any clients that subscribe to or invest in these opportunities. Conversely, these relationships have provided opportunities for additional Beaumont clients to participate in these

investments via lower minimums, reduced fees or other benefits. Relationship managers verbally inform clients of these relationships when introducing clients to these investment opportunities.

BCM does not recommend securities to investors; however, it primarily uses long-only ETFs in all of its strategies.

#### **Item 9 – Disciplinary Information**

**Disclose any legal or disciplinary events that are material to a client’s or prospective client’s evaluation of your advisory business or the integrity of your management.**

There are no legal or disciplinary events to report.

#### **Item 10 – Other Financial Industry Activities & Affiliations**

**A. Disclose any registrations as a broker-dealer or a registered representative.**

1.C (5) Beaumont is *not* registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer, nor is any associate licensed as a Registered Representative with a broker/dealer.

**B. Disclose any registrations (i.e. futures commission merchant, commodities, etc.).**

There are no registrations to report.

**C. Describe any relationship or arrangement, material to your advisory business or to your clients, that you or any of your management persons have with any related person listed below:**

- |  |  |
|--|--|
| <b>1. Broker-dealer, municipal securities dealer, or government securities broker or dealer</b>  | <b>4. Futures commission merchant, commodity pool operator, or commodity trading advisor</b> |
| <b>2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</b> | <b>5. Banking or thrift institution</b>  |
| <b>3. Other investment adviser or financial planner</b>  | <b>6. Accountant or accounting firm</b>  |
|  | <b>7. Lawyer or law firm</b>   |
|  | <b>8. Insurance company or agency</b>  |
|  | <b>9. Pension consultant</b>   |
|  | <b>10. Real estate broker or dealer</b>  |
|  | <b>11. Sponsor or syndicator of limited partnerships</b>                                     |

8.D Please reference previous Items for additional information.

Beaumont signed a licensing agreement with the principals of, and purchased a 10% ownership position in, AIM in 2012. Beaumont increased its ownership to 20% in 2018. AIM provides investment research to BCM for its Decathlon strategies. In return for the research provided, Beaumont pays the principals of AIM a portion of the fees received by BCM from applicable strategies. Beaumont has an agreement with AIM to be the sole domestic recipient of their research, with right of first refusal for new research. Beaumont also receives profit distributions from AIM resulting from its ownership.

Beaumont offers and provides various financial planning and tax preparation services. Lawrence Fiore is the Director of Beaumont's tax practice. Mr. Fiore and Thomas Cahill are both members of the Massachusetts Society

of CPAs. Mr. Cahill is also a member of the AICPA. Beaumont has two associates who are dedicated to the tax department during tax season. Other Beaumont associates, and/or outside accountants, assist the tax department during peak times.

Beaumont also has less than half-dozen solicitor arrangements. The firm does not receive additional compensation due to this relationship, other than through fees generated from additional client AUM, nor does the client pay additional fees because of these arrangements. The compensation would be between Beaumont and the solicitor and not affect the client. The solicitor is required to provide notice and certain required documentation to the client prior to referring them to Beaumont.

**D. Disclose if you receive compensation, directly or indirectly, for recommending or selecting other investment advisors for your clients.**

Please reference Item 8.A and 8.C for additional information.

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

**A. If you are an SEC-registered advisor, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 (or similar state rule). Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.**

As an SEC-registered advisor, Beaumont has a Code of Ethics (the “Code”) and updates it on an ongoing basis. As summarized by the SEC, rule 204A-1 states:

*The codes of ethics must set forth standards of conduct expected of advisory personnel and address conflicts that arise from personal trading by advisory personnel. Among other things, the rule requires advisers' supervised persons to report their personal securities transactions...*

Upon beginning employment at Beaumont, new employees receive training and sign an acknowledgement of their understanding of the Code. Additionally, each year all employees recertify their understanding and compliance of the Code. The Code specifically addresses employee trading, conflicts of interest and compliance protocol in an effort to educate and prevent wrongdoing from occurring. It also includes a section regarding a Compliance review of initial employee holdings and the quarterly review all employees’ personal trades to ensure preapproval was obtained (when necessary).

Subsequent items addressed include, but are not limited to reporting violations, insider trading, employee education and acknowledgement, and record keeping requirements.

Beaumont will provide a copy of its Code of Ethics, upon request, to any client or prospective client. Submit requests by email ([msnyder@bfpartners.com](mailto:msnyder@bfpartners.com)) or by phone (781-400-2800).

**B. If securities in which you or a related person has a material financial interest are recommended to clients, or bought or sold for client accounts, describe your practice and discuss the conflicts of interest it presents.**

Client fees are not based on the securities bought or sold in their accounts; nor is employee compensation based on the investments made on behalf of clients or by recommending or using specific investment companies.

**C. If you or a related person invests in the same securities, or related securities, that you recommend to clients, describe your practice and discuss the conflicts of interest this presents.**

Beaumont associates can invest in the same securities or strategies as clients. When this situation arises, the traders will aggregate buy and sell transactions resulting in clients and associates receiving the same daily average buy/sell price for that security. When an employee submits a trade for pre-approval, and no trades are scheduled for client accounts, the compliance officer may hold the employee's trade until trades will be made in client accounts. Alternatively, depending on the type of security and size of trade, Compliance may approve the trade request (possibly with instruction to execute over several days) in an attempt to keep it from having a negative impact on the security for clients. Compliance attempts to avoid approving trades that will violate, or give the appearance of violating, the rules of front running or other regulation. The clients' best interest is the primary consideration before approving or executing employee trades.

Beaumont associates can place trades in certain investments, such as mutual funds, without compliance approval, given the inability of an individual to affect its market price and the price being determined at the market close each day.

Beaumont client trades will normally receive a common, aggregate price with other clients participating in transactions of the same security executed on the same trade date (and with the same custodian). Client trades at different custodians will likely receive different trading prices due to time of execution, size of order, commission, etc.; however, they will typically be aggregated/blocked with like client trades at the same custodian. Clients requesting same day settlement or other priority services exclude them from being included in aggregated, block trades.

There have been instances where Beaumont and BCM invest, or want to invest, in the same securities. Procedures are in place to mitigate potential conflicts of interest and preferential treatment. Beaumont and BCM would typically not aggregate like client trades across divisions. With BCM primarily following rules-based systems and investing only in ETFs and money markets, this potential conflict is rare.

Beaumont and BCM share certain investment research and macro-economic analysis, and discuss strategy and asset allocation models. Due to the unique investment strategies of Beaumont and BCM, each division uses different primary means to handle trading. Beaumont has dedicated employees that handle trading for its investment advisory clients, while BCM primarily uses wrap sponsor programs to execute trades and rebalance clients' holdings. However, there are limited circumstances where the Beaumont traders are involved in trading the BCM strategies. The traders may use software designed to provide trading interfaces with additional custodians.

BCM screens ETFs and money market funds for liquidity prior to using them. BCM will consider removing an ETF from strategies if it cannot meet minimum liquidity levels. This helps to give BCM the ability to trade efficiently in and out of various ETFs. There are established trading protocols between the platforms and custodians to provide necessary liquidity to buy/sell ETFs. Beaumont traders facilitate a small portion of the BCM trades.

**D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for their own account, describe your practice and discuss the conflicts of interest it presents.**

See response to Item 10 and Item 11.C.

Beaumont's owners and associates are permitted to, and do, invest in the names being purchased for client accounts and in BCM strategies through their personal accounts. With the exception of the BCM strategies, employees are required to have their personal trades pre-approved and aggregated (blocked) with like client

trades. The blocking (aggregation) of trades is an important process utilized by Beaumont. Aggregation means that clients and associates receive an identical, (average) buy/sell price for each security traded, (bought or sold) on the same business day. Employees are not required to obtain pre-approval from Compliance for investing in a BCM strategy.

BCM Sector and BCM Paradigm strategies can trade as frequently as weekly, or in some cases monthly, while BCM Decathlon typically trades approximately every 25 trading days. All active employee and client account transactions in the same strategy are blocked when possible. Instances where trades for a strategy may not receive the same price as other accounts being traded include when an account is changing strategies (from one to another) or new money is being invested (because the trades would be submitted separately from the active strategy trade submissions). In these situations, there could be multiple trading prices received for the same day. Similarly, wrap program trades placed at different custodians will not always get the same execution price.

Beaumont has several policies, including a Code of Ethics, to address the potential for conflicts of interest, which may arise through personal trading. Compliance may restrict the timing that employees may trade a security under consideration by the Investment Committee for client accounts. In addition, the firm has policies and procedures intended to address and prevent insider trading.

## **Item 12 – Brokerage Practices**

### **A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation**

#### **1.a-f – Related to research and soft dollar benefits, markups or markdowns.**

Beaumont receives research from Morgan Stanley and others based on the relationship between the firms. Other research received, from various firms, may be from a relationship with a Beaumont employee prior to their joining Beaumont. Compensation is not paid to or from Beaumont for research and there are no stipulated markups or markdowns of commission related to this exchange.

See Item 5.A. and Item 10.D. for more information.

#### **2.a-b – Disclose any potential incentives in recommending a specific broker-dealer.**

Beaumont does not have a direct incentive to recommend a specific broker-dealer.

Beaumont participates in the Fidelity Wealth Advisor Solutions Program where Fidelity makes information about investment advisors and financial planners who custody their firm's assets at Fidelity available to affluent and high net-worth investors. Beaumont is under no contractual obligation to buy any product or service offered by Fidelity, or its affiliates, as a condition of participation in this program. Beaumont uses the same criteria for brokerage/custody selection for clients referred through the Fidelity Wealth Advisor Solutions Program that they use for Beaumont clients that did not participate in the program. Fidelity may have selected Beaumont for participation in this program resulting from existing relationships between the companies or its affiliates.

Beaumont negotiated its current Fidelity commission schedules aside from these arrangements and we believe our schedules to be favorable to clients given the quality and services provided. Beaumont does not receive *direct* compensation, in any form, to participate in this program; however, it obtains additional assets and accounts resulting in additional revenue via an increase in AUM.

Please also see Item 14.B for additional information.

Beaumont's participation in the program may raise potential conflicts of interest or give the appearance that Beaumont has an incentive to recommend clients to custody their assets with Fidelity. However, Beaumont uses Fidelity as the custodian for the majority of new and existing clients due to the beneficial cost, execution and level of service provided. Beaumont will typically trade with the brokerage houses holding the accounts because the prime brokerage/trade-away fees would outweigh any savings that could result in trading through another broker.

With multiple custodians and broker choices available, neither Beaumont nor BCM are under any obligation to use a specific custodian or broker for client accounts and trade activity. Clients can always inquire about other custodians Beaumont uses and have the option of moving their accounts to any one of them. We are continuously exploring additional relationships to increase the choices, and benefits, for our clients.

The selection and recommendation of custodians and broker-dealers by Beaumont and its clients will depend upon previous association, client needs versus the services provided, the expenses of each custodian (including fund management fees, prime brokerage/trade-away fees, and commissions paid), product offerings, service to Beaumont (including electronic data support) and client preference. Beaumont also considers the quality and quantity of products offered, and services provided by brokers and custodians. Beaumont considers several relevant factors including, but not limited to, the custodians'/broker-dealers':

- full range and quality of the services provided, as appropriate;
- responsiveness to Beaumont regarding software and other technology support;
- general execution and operational capabilities;
- reputation, reliability and experience;
- fee schedule;
- integrity, financial strength and stability.

### **3. – Directed brokerage**

Beaumont has a relationship with Morgan Stanley for clients seeking a full service broker. Beaumont has clients who request to have accounts and assets maintained at a specific custodian, including Morgan Stanley, regardless of the potentially higher cost associated with the full service, brokerage fee schedule. These clients' requests may be due to a previous relationship between the client and the custodian and broker, unique product offerings, reporting capabilities, or that custodian being a full service provider. Clients directing Beaumont to use a specific custodian may pay a higher commission and may not receive best execution for all transactions, due to the custodian's full service fee schedules.

Beaumont's investment advisory clients have a negotiated trading commission schedule on the Morgan Stanley, full service, retail platform that we believe to be competitive. This information is available to clients and prospects upon request. The fee schedules provided in each fund's prospectus disclose mutual fund loads.

#### **B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts.**

As stated in Item 11.C. Beaumont client trades will normally receive a common, aggregate price with other clients participating in a transaction of the same security executed on the same trade date (and with the same custodian). Client trades at different custodians will likely receive different trading prices due to time of execution, size of order, commission, etc.; however, they will typically be aggregated/blocked with like client trades at the same

custodian. There are exceptions when a trade would not be aggregated, such as if there was a need for same day settlement, client directed trades or other circumstances as appropriate.

Beaumont may use a specific broker dealer to purchase a security, i.e. an initial public offering (IPO), secondary offerings and certain bonds if it is not available through multiple brokers or if only available in limited quantity. In these instances, Beaumont would allocate to client accounts at other custodians, as appropriate. Beaumont uses several methods to allocate securities to clients in an equitable manner in these instances and may include alphabetical, reverse alphabetical, percent of portfolio held in cash, or other means, to help ensure that the same client accounts are not repeatedly participating when there are limited quantities available, or if a security is being bought/sold over multiple days.

When deciding to invest in equity IPO shares for its clients, Beaumont will allocate the shares to appropriate, eligible Beaumont high net worth clients that have a preference and tolerance for high-risk investments. Equity IPOs are typically only available to clients who have accounts established with the broker-dealer underwriting each IPO. In order for Beaumont to consider a client account for an allocation of IPO shares, the client must typically have:

- 1) A Fidelity, Schwab or Morgan Stanley account with a market value of at least \$150,000;
- 2) A liquid net worth of at least \$1,000,000; and
- 3) Accounts in good standing with the clients' respective custodian, including complete paperwork, etc., and meet other applicable criteria as set forth by the custodian.

When supply of a desired security is available at only one of the broker-dealers listed above, Beaumont may purchase large blocks and transfer all or part of the desired security from one custodian to another custodian to make the security available to other eligible clients.

Beaumont and BCM are under no obligation to use the same custodians or broker-dealers. Beaumont and BCM use similar criteria for broker and custodian selection and there will likely be instances where the two will use the same broker-dealer and/or custodian. However, the use may be part of a different program or platform offered by such custodian (i.e. institutional vs. retail platforms or TAMP vs. direct business) resulting in different fees and commissions charged to client accounts. This varies by the account's platform or program transaction and associated commission schedules.

BCM may recommend liquidity providers (LP) to block/aggregate some or all of certain ETF transactions. These LPs perform create/redeem scenario services and can help achieve best execution. However, the platforms and TAMPs are typically responsible for trade execution.

Beaumont will make a client account whole for client losses resulting solely from a trade error Beaumont causes. Beaumont will use its discretion if the trade error results in a gain. Scenarios when Beaumont may "keep" the gain is if, in its judgment, doing so is in the best interest of the client, include, but is not limited to: the amount of the gain is less than trading cost, client would incur an unwanted short-term redemption fee, avoid a wash sale, sale of restricted securities, tax implications, etc. Additionally, for errors caused by the client, or an advisor at another firm, the error may not be corrected and the client not be made whole. This could occur if the client initiates trades directly with a broker or custodian, or they initiate a withdrawal from the account without making Beaumont aware of their action. This could result in a short position or over-investment of the account. If another advisor initiates money movement from the account without making Beaumont aware, and trades placed assuming the funds are there, the account may not be made whole. Beaumont may be required to follow certain trade error procedures implemented by custodians, limiting their discretion when correcting an error. In the event

the Beaumont trade error account has a positive value at the end of the quarter, the (primary) custodian distributes that amount to a charitable organization.

Please also see Item 10.C. for additional brokerage information and Item 11.C. and Item 11.D. for additional aggregation practices.

### **Item 13 – Review of Accounts**

#### **A. Indicate the frequency of review of client accounts and the nature of the review.**

The nature and frequency of Beaumont client account reviews will vary greatly; however, relationship managers give attention to client accounts regularly. The most common review occurs when the Investment Committee recommends the purchase or sale of a security. With each recommendation by the Investment Committee, the relationship/portfolio manager is to review each of their clients' allocation, cash position, etc. to determine the proper action, if any, to take in an account. RMs conduct these and other periodic reviews of client accounts to ensure that their asset allocation is consistent with the agreed upon allocation guidelines or if adjustments are necessary. Operations can help the RMs by providing cash reports showing the amount of cash held in each client account.

The RMs also review client accounts for capital gains and losses, large deposits or withdrawals, assess income needs and ensure funds are available as needed. Sudden economic, political or other macro events may also cause more frequent or immediate review of accounts and their allocation. Additional reviews may occur due to changes in the personal financial circumstances of a specific client. The frequency of more formal reviews is determined by each client and may occur by mail, phone or in person. Clients are encouraged to contact their RM at any time if they have any questions or would like to discuss their account(s) (i.e. target allocation, investment strategy, change in financial situation, etc.).

BCM does not typically conduct formal reviews of client accounts, as these accounts are part of an investment strategy. However, BCM has used a rotating client contact process where we attempt to contact our direct clients, proactively, at least annually. This is to connect, keep open communication and provide clients and advisors with updates about the strategies, etc. The portfolio manager, or a designee, conducts monthly calls and writes a quarterly report, as other means of keeping clients and advisors abreast of the BCM strategies. Most custodians and TAMPs provide clients with the ability to login and review their accounts at any time. Additionally, clients are encouraged to contact their relationship manager with any questions.

#### **B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review**

See Item 13.A.

#### **C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

The reporting frequency will vary, and evolve over time, based on the client's preference. Clients may elect to have more or less frequent reviews as time goes on, while many clients prefer not to have a formal meeting for reviews. A report for a formal review may include, but is not limited to:

- various portfolio metrics,
- individual account, group (personal, retirement, etc.) and/or total portfolio performance,
- a review of the asset allocation and holdings of each portfolio, and

- if applicable, will suggest timely, pertinent investment advice.

We believe all receive quarterly or monthly statements from their custodian(s). Depending on the custodian, clients will have the opportunity to receive their statements electronically or have a physical, paper copy sent to them. Clients are encouraged to review these statements and contact their RM if they have any questions or concerns.

Our third party Portfolio Accounting Software Company, SS&C Advent Software, Inc., receives daily electronic file downloads from our multiple custodian relationships containing transaction, position and pricing data. These files are reconciled daily by Advent Software, Inc. and available to Beaumont via their Black Diamond application.

For BCM Strategies only, investment reports are often available online from both TAMP and custodian. Clients should contact their RM if they need help accessing the appropriate website or if they have questions on their account(s).

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

##### **A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement.**

Please see Item 5.

##### **B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and compensation.**

13.B Beaumont has solicitation arrangements with unaffiliated third parties in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940. Please also see Item 12.2(a-b) for additional, relevant information on this topic.

- Clients are informed of any such arrangements, and the nature of the relationship as applicable, at the time of the referral and prior to entering into an advisory agreement with Beaumont.
- The solicitor will provide a copy of Beaumont's Disclosure Document (Form ADV Part 2) to the client.
- Beaumont will not sign a contract with a client referred by a solicitor until proof that the required solicitor's disclosures (including this ADV Part 2) has been provided to the client is given to Beaumont by the solicitor.
- Solicited clients may, or may not, pay additional fees or commissions for this solicitor's service. The solicitor's disclosure will fully identify additional fees, if any.

Beaumont has employees who are investment advisory agents of the firm. Beaumont may pay these employees additional compensation for their efforts in bringing in new clients and servicing existing clients. Beaumont pays Fidelity Personal and Workplace Advisors LLC (FPWA), a Fidelity company, an annual fee as a percentage of retained client assets for referrals from the Fidelity Wealth Advisor Solutions (WAS) Program. Beaumont has agreed to pay FPWA an annual minimum fee for participation in the program, and may be responsible for any difference between the annual minimum fee prescribed by the agreement and actual fees paid for referrals. Beaumont, not the client, is responsible for any referral fees paid to Fidelity. There is no affiliation between Beaumont and FPWA or Fidelity (FMR LLC). FPWA does not supervise, nor does it have oversight responsibility for Beaumont. Beaumont must meet certain minimum participation criteria to receive referrals from the WAS Program. Alternatively, Beaumont could be selected for the WAS Program due to its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). Beaumont may have, or be

perceived to have, a potential conflict of interest, as a result of its participation in the WAS Program, with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts. Advisor may also have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred through the WAS Program.

Beaumont or BCM compensates certain financial intermediaries, including TAMPs, broker dealers, etc., to promote our investment advisory services through:

- increased visibility on their sales system,
- participation in their marketing efforts
- opportunities for Beaumont personnel to present its investment strategies to the intermediary's sales force and/or clients at conferences, seminars or other programs (or helping to facilitate or provide financial assistance for such events),
- access (in some cases, on a preferential basis over other competitors) to individual members of their sales force or management as incentives to certain financial intermediaries to promote our investment advisory services.

We compensate financial intermediaries differently depending on the aforementioned service(s) they provide.

#### **Item 15 – Custody**

**If a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive them, and that they will also receive account statements from you. Include a statement urging clients to compare the account statements.**

Beaumont Financial Partners, LLC does not directly maintain physical custody of client funds or securities, nor does it accept the delivery of funds or securities in the form of cash or in the name of the firm.

Custodians send, or make available, monthly or quarterly statements, depending on the custodian, directly to clients. These statements include details about the account balances, market value of securities held, and include all individual transactions executed in the account during the period. Confirmations are provided by each custodian to clients based on the delivery method selected, which often includes the client's ability to sign up for continuous electronic account access.

Clients are encouraged to review their custodian account statements and confirmations closely, and contact Beaumont promptly if they have any questions. The calculated values may vary between Beaumont and custodians. This may occur if one side bases the value on trade date where the other could value securities based on the settlement date, again, causing a slight difference in value. If a client notices any major discrepancies or suspicious activity while reviewing their statements from the custodian or report received directly from Beaumont, they should contact their relationship manager or Beaumont's Chief Compliance Officer immediately at 781-400-2800.

There are instances where a Beaumont partner or associate is named an account signatory, Trustee or Executor of client trusts, estates or wills, granted check writing authority, or as custodian of a Uniform Gifts to Minors Account (UGMA). This relationship is not encouraged, however in view of these relationships, the firm is deemed to have custody of these accounts. In order to comply with the regulatory requirements pertaining to custody (SEC Custody Rule 206(4)-2), Beaumont has an annual surprise exam conducted by an independent accounting firm. This is to ensure that Beaumont maintains the funds of these (custody) accounts legitimately and are not falsified or used unethically.

### **Item 16 – Investment Discretion**

**Describe the procedures you follow before you assume discretionary authority to manage client accounts and any limitations the client may place on this authority.**

Beaumont and BCM accept discretionary authority to manage client accounts and the underlying securities on clients' behalf through an Advisory Agreement. Clients and a firm representative sign this Agreement prior to the firm assuming discretionary authority of any client account. The Advisory Agreement also gives Beaumont authority to select and use sub-advisors.

Additionally, Item 4.C. explains limitations clients may place on this authority.

### **Item 17 – Voting Client Securities**

**A. Do you have, or will accept, authority to vote *client* securities, and briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.**

Beaumont *does not* vote proxies on behalf of its clients. While our Investment Advisory Agreements grant the firm the legal ability to do so, we are not required to take action. If our current proxy policy changes, we will promptly notify our clients.

**B. If you do not have authority to vote *client* securities, disclose this fact. Explain whether *clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you.**

Clients who have their assets at Morgan Stanley will receive their proxies directly from the custodian. For clients using other custodians, the account application gives the client the option to have proxy ballots sent directly to them or to their advisor, although the latter is discouraged, as Beaumont will not vote on their behalf. Clients are encouraged to contact their relationship manager with any proxy related questions.

### **Item 18 – Financial Information**

- A. If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.**
- B. Note: If you are a sole proprietor...**
- C. Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your *brochure*.**
- D. Exception: You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.**
- E. If you have *discretionary authority* or *custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance...**
- F. Note: With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the *state securities authorities*...**
- G. If you have been the subject of a bankruptcy petition...**

18.A. – 18.G. are not applicable.

## **Item 19 – Requirements for State-Registered Advisers**

- A. If you are registering or are registered with one or more *state securities authorities*...**
- B. Describe any business in which you are actively engaged**
- C. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a *supervised person* is compensated for advisory services with *performance-based fees*, explain how these fees will be calculated.**
- D. If you or a *management person* has been *involved* in one of the events listed below:**
  - 1. An award or otherwise *found* liable in an arbitration claim alleging damages in excess of \$2,500**
  - 2. An award or otherwise *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding***
- E. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your *management persons* have with any issuer of securities that is not listed in Item 10.C. of Part 2A.**

19.A. – 19.E. are not applicable. Beaumont is SEC registered and is not a State-Registered Advisor.

## **Item 20 – Other, Miscellaneous Items**

### **Beaumont's Office Locations**

The Beaumont home office is located at 250 1<sup>st</sup> Avenue, Suite 101, Needham, MA 02494. Beaumont has additional presence at 1790 Hughes Landing Boulevard, Suite 400, The Woodlands, TX 77380 and 5000 Riverside Drive, Suite 100E, Building 6, Irving, TX 75039; as well as Chicago, IL; Dallas, TX; Atlanta, GA; Wayne, NJ; New York, NY; Phoenix, AZ; and San Francisco, CA.

### **Class Action Settlements**

Periodically the securities held in client accounts may be the subject of class actions lawsuits. Beaumont has no obligation to determine if the securities held by clients are subject to a pending or resolved class action lawsuit, nor any duty to evaluate a client's eligibility to participate in the proceeds of a securities class action settlement. Furthermore, Beaumont has no obligation or responsibility to initiate litigation, submit a claim or recover damages on behalf of clients who may have been impacted because of actions, misconduct, or negligence by corporate management of issuers whose securities are/were held in client accounts.

Beaumont retained the services of Financial Recovery Technologies ("FRT") in 2011 to improve this process by electronically filing all class action claims on behalf of all our clients. As a result, any class action claim that each client is eligible to file will be handled for them automatically. Fees for this service are on a contingency basis, so there will be no charges against client accounts. FRT will absorb the costs to provide this service and will deduct their fee of 17.5% from any awards recovered from claims they have filed on behalf of our clients. FRT will also attempt to recover claims for any account held at certain custodians as long as Beaumont has electronic transaction and position data available. Beaumont may not be able to provide holding or transaction information to FRT for trades that were executed prior to the client engaging Beaumont. There are certain financial loss criteria that need to be met for a client to receive a payment.

As a Beaumont client and recipient of this service, clients will no longer need to take any action in order to be eligible to receive awards of class action settlements. Clients will likely continue to receive class action notices from claims administrators for securities held in their account(s), however there would be no need to take any action.

Clients will automatically be registered for this service unless they actively opt out *by notifying Beaumont in writing*. The amount of awarded settlements each client is entitled to will be deposited directly into their account and noted on their next statement. FRT services are only available for clients who have active accounts under management with Beaumont. Clients can also be assured that any personal information provided to FRT on your behalf is protected under our Privacy Policy and Cybersecurity Program.

## **CLIENT PRIVACY POLICY NOTICE**

This informational notice covers how Beaumont Financial Partners, LLC and its separate division, Beaumont Capital Management, (collectively “Beaumont”) safeguards your nonpublic personal financial information.

Protecting the privacy of client information is one of our fundamental responsibilities. This notice summarizes our policy regarding the confidentiality and non-disclosure of client information. We do not sell or rent any personal information we gather from clients, and will only share such information with others as stated in this notice.

### **Personal Information Collected**

Beaumont clients provide their personal information and information about their family to Beaumont. Information we may request includes:

- Name, address, phone number, social security number, tax identification number and date of birth.
- Assets, employment history, income, liabilities, retirement goals and legal documents.
- Account balances, account numbers, statements and custodians.
- Beaumont or the custodian may require a photocopy of a valid driver’s license, passport, green card or military identification when opening new accounts for clients. Many financial institutions in the United States require a copy of at least one of these documents to comply with Uniting and Strengthening America by Protecting Appropriate Tools Required to Intercept and Obstruct Terrorism, also known as the USA PATRIOT Act.

Beaumont often receives client information from the custodians including:

- Duplicate copies of monthly statements and trade confirmations
- Daily electronic downloads of clients’ account information (e.g. all transactions and positions).

The custodian must receive authorization from the client before sharing the aforementioned information with Beaumont. This is usually part of the account opening process.

### **Why We Collect Personal Information**

The personal information we collect is necessary to help us provide informed investment management, financial planning and/or tax services to you.

### **How We Handle Your Personal Information**

As emphasized above, we do not sell, rent or distribute information about current or former clients or their accounts to third parties. We do not share such information with anyone, except as needed in the normal course of business, such as to open accounts, meet required compliance reviews, and complete transactions in your accounts.

For example:

- In order to open accounts or complete transactions for you, it may be necessary to provide aforementioned identifying information to custodians, companies, individuals, or groups not affiliated with Beaumont. In addition, Beaumont may provide the custodian with a copy of the Investment Advisory Agreement with the client.
- At times, we may contract with non-affiliated companies to perform services for us (i.e. CPAs for tax preparation and Financial Recovery Technologies for class action recovery). If necessary, we will share information we collected from you to these third parties. We only release the information that is necessary for the third party to complete its assigned responsibilities. In addition, we require that these third parties treat your personal information with the same high degree of confidentiality that Beaumont does.
- For clients with a Beaumont Capital Management (BCM) account, Beaumont has hired Envestnet Asset Management, Inc. to handle many of the back-office functions (i.e. opening new accounts, trading, billing and reporting) for BCM. As a result, Beaumont provides confidential client data to Envestnet to complete these back office services.
- We will release information about you if you request us to do so or if we are compelled to do so by law. If you decide to close your account(s) or your account becomes inactive, we will continue to adhere to our privacy policy.

It is always our intent to protect and maintain the integrity of any client information collected, or received during the course of the relationship. Beaumont has contractual agreements with third party vendors stipulating the limitations of any information to which they may have access. In short, all non-public client information is kept confidential and not shared, sold, copied or otherwise used. However, Beaumont clients have the option to opt-out of having their information shared with any third parties. If you are a client, or once you become a client, and would like to opt-out of having your information shared please contact your relationship manager or call the number at the end of this notice.

### **Confidentiality and Security Procedures**

Beaumont emphasizes the importance of confidentiality through operating procedures, employee training and our client privacy policy. We also maintain electronic, physical and procedural safeguards to help protect your nonpublic personal information.

### **How You Can Protect Your Information**

If you access your accounts on-line, you should confirm that the anti-virus software and firewall/spyware protection is current on the computer(s) that you use. We also strongly recommend that you select a unique User ID and Password that **does not** contain any personal information (i.e. SSN, DOB, Name, phone #, etc.). Additionally, we recommend that you do not provide any of your account information, including online account user names or passwords, to anyone. This is especially important if you receive the request via email, or over the phone, by an unfamiliar source. We also suggest that you regularly review the activity on your brokerage statements. Please contact us immediately if you notice any suspicious or irregular activity relating to your account(s); or if you believe your information has been compromised.

### **Annual Notification**

As required by federal law, Beaumont provides you with annual notification of our client privacy policy. Beaumont reserves the right to amend this policy at any time. We will promptly provide clients an updated copy of this policy if we make material changes.

### **MASSACHUSETTS DISCLOSURE**

Massachusetts law (Sec. 203A) requires disclosure that information on disciplinary history and the registration of the adviser and its associated persons may be obtained by contacting the Public Reference Branch of the U.S. Securities and Exchange Commission at (202) 551-8090 or the Massachusetts Securities Division, One Ashburton Place, 17<sup>th</sup> Floor, Boston, Massachusetts 02108 or (617) 727-3548.

### **COMPLIANCE WITH PRIVACY REQUIREMENTS**

Beaumont maintains compliance with Massachusetts requirement 201 CMR 17.00 and applicable federal guidelines. The firm has a designated Information Security Manager, as defined in its Written Information Security Program (WISP). This Program is consistent with the stringent requirements of Massachusetts, and outlines the responsibilities of the firm and its personnel to protect client data. Although the WISP requirements only pertain to residents of Massachusetts, the firm extends these standards to all clients. Beaumont is also aware of and considers the stipulations set forth by each state. In addition, the Securities and Exchange Commission's (SEC), Regulation S-P provides further guidance and requirements for handling and protecting non-public client information (NPI). Beaumont adheres to and applies these standards to its business and handling of client information.

### **NOTIFICATION OF BEAUMONT FINANCIAL PARTNERS, LLC'S PROXY POLICY**

In accordance with SEC Rule 206(4)-6 of the Investment Advisers Act of 1940 relating to Proxy Voting, Beaumont is notifying you of its following Proxy Policy: As a matter of current policy, Beaumont Financial Partners, LLC, *does not* vote proxies on behalf of its clients. While all Beaumont's Investment Advisory Agreements grant the firm the legal ability to do so, we are not required to. If our current proxy policy changes, we will promptly notify our clients.

### **ANNUAL FORM ADV OFFERING**

Federal law, through the U.S. Securities and Exchange Commission (SEC), requires Beaumont Financial Partners, LLC to provide clients with either (1) a complete, Disclosure Document (Form ADV, Part 2A); or (2) a summary of material changes to the Disclosure Document since the last update and also offer to provide a copy of the full Document upon request, without charge. This is required per Rule 204-3 of the Investment Advisor's Act of 1940, and be completed within 120 days of the firm's fiscal year end. If at any time you would like a complete copy of our Disclosure Document, please call or write, using the following information, and we will be sure to send you a copy. *Beaumont Financial Partners, LLC – 250 1<sup>st</sup> Avenue, Suite 101 – Needham, MA 02494 – (781) 400-2800.* Additionally, our Disclosure Document is available via our website, [www.bfpartners.com](http://www.bfpartners.com).

**No action is required as a result of this notice.** however, please contact us if you have any questions.