

**Item 1    Cover Page**

# Disclosure Brochure

March 28, 2024

**Beirne Wealth Consulting Services, LLC**  
**d/b/a Beirne.**  
*A Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Beirne Wealth Consulting Services, LLC d/b/a Beirne. (hereinafter “Beirne”, “BWC” or the “Firm”). If you have any questions about the contents of this brochure, please contact Dennis Grubelic at (203) 701-8606. 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.

Additional information about Beirne is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Beirne is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

This Item discusses only the material changes that have occurred since the last annual amendment update and provide clients with a summary of such changes.

The last annual update amendment was dated March 30, 2023.

Item 4. Advisory Business. Assets Under Advisement (AUA) includes all assets that Beirne provides advice on, including equities, bonds, mutual funds, exchange-traded funds (ETFs), and alternative investments. The AUA represents the total value of assets that Beirne gives advice or consultation on, but does not have the ability to make decisions and execute trades for these assets.

Item 5. Fees and Compensation. Beirne enhanced disclosures relating to our fees and compensation when managing institutional clients' accounts.

Item 12. Brokerage Practices. Software and Support provided by financial institutions has been updated to reflect the acquisition of TD Ameritrade by Charles Schwab & Co., Inc.

*Beirne will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the end of the firm's fiscal year end. The firm's fiscal year ends on December 31, clients will receive the summary of material changes no later than April 30 each year. At that time, clients will also offer or provide a copy of the most current disclosure brochure. Beirne will also provide other ongoing disclosure information about material changes, as necessary.*

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## **Item 3. Table of Contents**

### Contents

Item 1. Cover Page .....	1
Item 2. Material Changes.....	2
Item 3. Table of Contents .....	3
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation.....	11
Item 6. Performance-Based Fees and Side-by-Side Management .....	15
Item 7. Types of Clients .....	15
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	16
Item 9. Disciplinary Information.....	20
Item 10. Other Financial Industry Activities and Affiliations.....	20
Item 11. Code of Ethics .....	21
Item 12. Brokerage Practices.....	22
Item 13. Review of Accounts .....	25
Item 14. Client Referrals and Other Compensation.....	26
Item 15. Custody .....	27
Item 16. Investment Discretion .....	27
Item 17. Voting Client Securities .....	28
Item 18. Financial Information.....	28

## Item 4. Advisory Business

Beirne Wealth Consulting Services, LLC d/b/a Beirne. (“Beirne”, “BWC” or the “Firm”) is the successor firm of Beirne Wealth Consulting, LLC, a registered investment adviser since January 2012. John Anthony Beirne, Jr., John-Oliver Beirne, Richard A. DeFrancesco, Lindsey E. Allard and Meaghan E. Morelli are the current executive officers of the Firm.

BWC is owned by family trusts, the beneficial owners of which are Beirne family members. BWC is managed by John Anthony Beirne, Jr. and John-Oliver Beirne (“BWC] Principals”), pursuant to a management agreement between Three B, LLC and BWC. The BWC Principals serve as officers of BWC and are responsible for the management, supervision and oversight of BWC. Three B, LLC does not provide investment advice.

BWC offers discretionary and non-discretionary investment management and consulting services to pension and profit-sharing plans, state and/or municipal government entities, charitable organizations, and other institutions (“Institutions”). BWC also offers investment management, financial planning, and consulting services on a discretionary and/or non-discretionary basis to individuals and high net worth individuals. Investment management services are provided on a wrapped and unwrapped basis. Prior to engaging BWC to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with BWC setting forth the terms and conditions under which BWC renders its services (collectively the “*Agreement*”).

As of December 31, 2023, BWC had \$1,135,235,910 of Regulatory Assets Under Management (RAUM), of which \$453,367,499 was managed on a discretionary basis and \$681,868,411 was managed on a non-discretionary basis. RAUM is inclusive of the Wrap Program assets of \$ 59,500,787.

As of December 31, 2023, BWC had \$936,925,517 of Assets Under Advisement, of which \$104,022,803 was managed on a discretionary basis and \$832,902,714 was managed on a non-discretionary basis.

This Disclosure Brochure describes the business of BWC and the activities of *Supervised Persons*. *Supervised Persons* include BWC’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on BWC’s behalf and is subject to

BWC's supervision or control.

### **Investment Management Services**

Institutions and individual clients can engage BWC to manage all or a portion of their assets on a discretionary or non-discretionary basis. The Firm provides certain clients with needs-based financial planning services as part of its overall investment management offering.

BWC primarily allocates clients' investment management assets among *Independent Managers* (as defined below), separate accounts, mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and/or options in accordance with the investment objectives of the client. In addition, the Firm periodically recommends clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which can include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. BWC also provides advice about any type of investment held in clients' portfolios.

The Firm tailors its advisory services to the individual needs of clients. BWC consults with clients initially and on an ongoing basis to develop an investment policy statement, which determines risk tolerance, time horizon and other factors that impact the clients' investment needs. BWC ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify the Firm if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon BWC's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in BWC's sole discretion, the conditions will not materially influence the performance of a portfolio strategy or prove overly burdensome to its management efforts.

### **Financial Planning and Consulting Services**

The Firm provides its individual and high net worth clients with a broad range of comprehensive financial planning and consulting services. These services include, among other things, business planning, pension fund consulting, and 401(k) planning.

Financial Planning services are goal-centric, and may include education planning, retirement planning, investment planning, insurance planning, and stress tests, according to client needs. The Firm provides clients with needs-based employer retirement plan investment selection consulting services as part of its overall investment management offering. Beginning in January 2022, clients can subscribe to ongoing financial planning monitoring services and the firm will charge a separate fee.

In performing its services, BWC is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. BWC recommends its investment advisory services, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if BWC recommends insurance through its *Supervised Persons* (employees). The client is under no obligation to act upon any of the recommendations made by BWC under a financial planning or consulting engagement or to engage the services of any such recommended professional, including BWC or its *Supervised Persons*. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of BWC's recommendations. Clients are advised that it remains their responsibility to promptly notify BWC if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising BWC's previous recommendations and/or services.

### **ERISA Services**

BWC will provide non-discretionary and discretionary, fiduciary and non-fiduciary advisory services to the sponsors of the defined contribution, defined benefits plan and non-qualified deferred compensation, whom have ultimate authority to direct the investing and reinvesting of plan assets as they deem appropriate, considering each plan's stated objective, liquidity needs, and stated policies and guidelines. Non-discretionary investment services provided to an ERISA plan means the ERISA plan client retains and exercises the final decision-making authority for implementing or rejecting BWC's recommendations. Discretionary investment management services provided on a discretionary basis as an ERISA 3(38) investment manager means BWC makes the investment decisions in its sole discretion without the ERISA plan client's prior approval.

Certain of the foregoing services are provided by BWC as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). To the extent a client's plan is covered by ERISA, in accordance with ERISA Section 408(b)(2),

each plan sponsor is provided with a written description of BWC's fiduciary status, the specific services to be rendered and all direct and indirect compensation BWC reasonably expects under the engagement.

When BWC provides investment advice for a fee to an ERISA plan or ERISA plan participant, it is a fiduciary under ERISA. In addition, BWC is a fiduciary under the Internal Revenue Code (the "IRC") when it provides investment advice to an ERISA plan, ERISA plan participant, an IRA or an IRA owner (collectively, a "Retirement Account Client"). The DOL significantly expanded the definition of fiduciary under ERISA and the IRC. Under this expanded definition, when an adviser recommends that a plan participant take a distribution from an ERISA plan and roll it over to an IRA advised by the adviser or recommends that an IRA owner transfer his/her IRA to an IRA advised by the adviser, the adviser is engaged in a fiduciary act that presents a conflict of interest.

As such, BWC is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a "PTE").

A conflict of interest arises and the prohibited transaction rules are implicated when BWC recommends that an ERISA plan participant take a distribution from an ERISA Plan and roll it over to an IRA that BWC advises or if BWC recommends that an IRA owner transfer his IRA to an IRA that BWC advises because BWC will receive compensation that it would not have received absent the recommendation – i.e., the IRA advisory fee. When BWC engages in this transaction, it relies on the PTE known as the *Best Interest Contract Exemption* or BICE, which requires compliance with the "impartial conduct standards." The impartial conduct standards are designed to mitigate conflicts of interest by requiring that investment advice be in the "best interest" of the Retirement Account Client, that advisers not make any materially misleading statements and not charge a fee that exceeds a reasonable amount. The best interest standard requires that advisers act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use, based on the investment objectives, risk tolerance, financial circumstances and needs of the Retirement Account Client. This mirrors the prudent man standard of conduct and duty of loyalty found in ERISA."

## Use of Independent Managers

As mentioned above, BWC recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers (“*Independent Managers*”), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between BWC or the client and the designated *Independent Managers*. BWC renders services to the client relative to the discretionary and/or non-discretionary selection or recommendation of *Independent Managers*. BWC also monitors and reviews the account performance and the client’s investment objectives. BWC receives an annual advisory fee for our services, which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*. The *Independent Managers* also charge an advisory fee for their management services, as described in their respective Part 2A brochures and client agreements.

When recommending or selecting an *Independent Manager* for a client, BWC reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager’s* investment strategies, past performance and risk results to the extent available. Factors that BWC considers in recommending an *Independent Manager* include the client’s stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer / custodian of the client’s assets, will be exclusive of, and in addition to, BWC’s investment advisory fee set forth above. As discussed above, the client will incur fees in addition to those charged by BWC, including the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to BWC’s written disclosure brochure, the client also receives the written disclosure brochure of the designated *Independent Managers*. *Certain Independent Managers* impose more restrictive account requirements and varying billing practices than BWC. In such instances, BWC alters its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

## Sponsor and Manager of Wrap Program

BWC is the sponsor and manager of the *Beirne Wealth Consulting Wrap Fee Program* (the “Program”), a wrap fee program, for certain individual and high net worth clients, as well as a limited number of corporations and other businesses, and state and municipal entities. As of December 31, 2023, BWC had \$59,500,787 in total assets in the Program, with \$59,500,787 in discretionary assets. BWC is now offering the Program on a select basis to certain clients at the discretion of management.

In the event the client participates in the Program, BWC provides its investment management services and arranges for brokerage transactions under a single annualized fee. Participants in the Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the Program’s terms and conditions (including fees) are contained in the Program’s wrap fee brochure.

Certain of the foregoing services are also provided by BWC as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). To the extent a client’s plan is covered by ERISA, in accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of BWC’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

Depending upon the percentage wrap-fee charged by BWC, the amount of portfolio activity in the client’s account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

**Conflict of Interest:** Because BWC’s Program fee is inclusive of transaction fees or commissions incurred at the account level and the custodian/broker-dealer shall retain a portion of the Program fee debited from the Client’s account to offset these custodial/broker-dealer fees, BWC has an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client’s account. However, as a fiduciary it remains BWC’s duty to always act in the client’s best interest. There will be times, including extensive periods, where there will be no recommendations to trade a client’s account, as a result of each individual client’s facts and circumstances, including tax reasons, and other financial decisions. BWC’s Chief Compliance Officer remains available to address any questions that a client or prospective client may have

regarding the corresponding conflict of interest a wrap fee arrangement creates.

Additional information about the Program is available in BWC's Wrap Brochure, which appears as Part 2A Appendix 1 of BWC's Form ADV.

**Non-Purpose Loans and Option Overlay**

Where clients deem beneficial and appropriate based on their risk tolerance and investment objectives, a non-purpose Loan or option overlay will be utilized as part of their investment strategy.

A non-purpose loan is a type of loan that uses an investment portfolio as loan collateral and the proceeds of which cannot be used to purchase, carry or trade securities. This type of loan allows investors access to funds without having to sell their investments for personal reasons, such as loans for education, real estate, taxes or other expenses. Such loans, using a client portfolio as collateral or use of options for leverage, has inherent high risk, are not advisable for the majority of clients, and will depend entirely on other client assets, client risk profile and appropriateness.

**Health Savings Account Management**

BWC offers investment advisory services for client Health Savings Accounts (“HSAs”) to assist clients in investing HSA assets among mutual fund investment options, which will be reviewed annually. BWC utilizes the Health Savings Administrators platform to provide an investment only HSA vehicle, and Health Savings Administrators comes with a collection of educational tools. BWC will be paid as a percentage of assets under management and/or advisory services, a negotiated flat advisory fee, or as a combination of a flat fee plus an asset-based fee directly from the account.

BWC will monitor the client’s account and make investment recommendations based on the client’s responses to a web-based interactive questionnaire that establishes a risk profile based on client goals, objectives, time horizon and circumstances.

To be an eligible individual and qualify for an HSA, you must meet the following requirements:

- You must be covered under a high deductible health plan (HDHP), on the first day of the month;
- You have no other health coverage, except what is permitted under other health coverage;

- You are not enrolled in Medicare; and
- You cannot be claimed as a dependent on someone else's tax return.

To cover administrative services, Health Savings Administrators will deduct the following fees from participant accounts:

- \$45 annual administrative fee
- Quarterly custodial fees based on the choice of investment program

## **Item 5. Fees and Compensation**

The Firm offers its services on a fee basis, which includes fixed fees, fees based upon assets under management, or a combination of both. There are no referral fees received by BWC for recommending services of other professionals, such as estate or tax professionals. BWC employees receive cash compensation in addition to employee's regular salary in exchange for client referrals.

### **Investment Management Fees**

BWC manages assets on a wrapped and unwrapped basis. The Firm provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by BWC pursuant to a tiered fee schedule.

For services provided outside of the Wrap Program, BWC's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which are incurred by the client. BWC does not, however, receive any portion of these commissions, fees, and costs.

BWC's annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by BWC on the last day of the previous quarter. The annual fee shall be negotiated and will vary depending upon a number of factors, including the market value of the assets under management, the type of investment management services to be rendered, type of products being managed, anticipated amount of resources utilized in the relationship, anticipated future additional assets, and the existence of related accounts.

As discussed above, BWC no longer offers the Program to new clients. New clients may only engage BWC to provide investment management services outside of the Program.

BWC provides investment management services to individual and high net worth clients according to the following tiered fee schedule, subject to negotiation:

PORTFOLIO VALUE	ANNUAL FEE
First \$1,000,000	1.25%
Next \$2,000,000	1.20%
Next \$2,000,000	1.15%
Next \$5,000,000	1.10%
Above \$10,000,000	1.00%

When BWC provides investment management services to institutional clients, advisory fees are structured on a case-by-case basis. Fees are charged based on assets under management and/or advisory services, as a flat fee, or as a combination of a flat fee plus an asset-based fee. The highest asset-based fee charged to institutional clients is up to 100 basis points or 1%.

The asset-based management fee(s) is prorated and billed quarterly in advance, based on the market value of the assets being managed by BWC on the last day of the previous quarter.

Custodians, Independent Managers and the platform manager charge their own fees that are in addition to BWC's fees.

**Fees Charged by Independent Managers and Financial Institutions**

As further discussed in response to **Item 12** (below), BWC generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services (“*Fidelity*”) for investment management accounts.

The Firm only implements its investment management recommendations after the client has arranged for and furnished BWC with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, any other broker-dealer recommended by BWC, broker-dealer directed by the client, trust companies, banks, etc. (collectively referred to herein as the “*Financial Institutions*”).

Clients incur certain charges imposed by the *Financial Institutions* and other third parties

such as fees charged by *Independent Managers* (as defined below), custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to BWC's fee.

BWC's *Agreement* and the separate agreement with any *Financial Institutions* authorize BWC or *Independent Managers* to debit the client's account for the amount of BWC's fee and to directly remit that management fee to BWC or the *Independent Managers*. Any *Financial Institutions* recommended by BWC have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to BWC. We urge you to review these statements carefully. In certain circumstances, BWC's fees, Independent Manager fees, custodial fees and other fees will be directly invoiced to the client for payment.

### **Platform Fee**

BWC has selected Investnet, Inc. as its platform manager. The platform manager provides various services to BWC clients, including but not limited to, access to Independent Managers investments, research, investment advisory billing, portfolio proposal generation, performance reporting and analytical software tools. The custodian provides client investment account information directly to the platform manager. Investnet, Inc. charges a platform fee for these services, which is more fully described in the client's investment management agreement.

### **Fees for Management during Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a pro rata basis.

The *Agreement* between BWC and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. The Firm's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients can make additions to and withdrawals from their account at any time, subject to BWC's right to terminate an account. Additions can be in cash or securities provided that BWC reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients can withdraw account assets, subject to the usual and customary securities settlement procedures. However, BWC designs its portfolios as long-term investments, and the withdrawal of assets can impair the achievement of a client's investment objectives. BWC consults with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter or to account for the change in portfolio value.

### **Financial Planning and Consulting Fees**

For certain clients, the Firm charges a fixed fee for financial planning and consulting services. These fees are negotiable, but generally range from \$250 to \$5,000 on a fixed fee basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. For financial plans to be kept current, there is an ongoing monthly fee, beginning in January of the calendar year following the original plan purchase (example: plan purchased in June 2023, monthly fee begins January 2024).

Prior to engaging BWC to provide financial planning and/or consulting services, the client is required to enter into a written agreement with BWC setting forth the terms and conditions of the engagement.

### **Commissions or Sales Charges for Recommendations Insurance Products**

Clients can engage certain persons associated with BWC (but not BWC) who are separately licensed as insurance agents. Clients are under no obligation to engage such persons and can choose brokers or agents not affiliated with the Firm. The *Supervised Persons* in their separate capacity as insurance agents receive commissions as compensation, including for the sale of life insurance and annuities. Clients are free to

implement recommended products through any insurance agent or agency.

A conflict of interest exists to the extent that BWC recommends the purchase of insurance products where BWC's *Supervised Persons* receive commissions or other additional compensation as a result of BWC's recommendations. BWC has procedures in place to describe the fiduciary responsibility of BWC including that any recommendations made by such *Supervised Persons* are in the best interest of clients.

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

The Firm does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

BWC provides its services to institutions, high net worth individuals, profit sharing plans, trusts, estates, charitable organizations, corporations, government, quasi-government, foundations, endowments and business entities.

### **Minimums**

The Firm generally does not implement account minimums, but imposes a minimum fee in limited circumstances for certain legacy clients. Additionally, certain *Independent Managers* impose more restrictive account requirements and varying billing practices than BWC. In such instances, BWC alters its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

### Investment Strategies

BWC manages client assets on a discretionary or non-discretionary basis. The Firm also provides certain clients with needs-based 401(k) financial planning services as part of its overall investment management offering.

The Firm primarily allocates clients' investment management assets among *Independent Managers* (as defined above), separate accounts, mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and/or options in accordance with the investment objectives of the client. In addition, when determined to be appropriate, the Firm recommends that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which can include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. BWC also provides advice about any type of investment held in clients' portfolios.

BWC tailors its advisory services to the individual needs of clients, based on investment needs, goals, objectives and risk tolerance. BWC consults with clients initially and on an ongoing basis to develop an investment policy statement, which determines risk tolerance, time horizon and other factors that impact the clients' investment needs.

### Methods of Analysis

The Firm's primary methods of analysis are fundamental, technical and cyclical analysis.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. BWC will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions can still negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis involves the use of charts to identify market patterns and trends, which can be based on investor sentiment, rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends does not necessarily help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that BWC will be able to accurately predict such a reoccurrence.

*Cyclical analysis* is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that BWC is recommending. The risks with cyclical analysis are similar to those of technical analysis.

## **Risks of Loss**

### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intra-day changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares can differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies can cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder will typically have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients will pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer, which may be unwilling or unable to perform its contractual obligations.

### *Market Risks*

The profitability of a significant portion of the Firm’s recommendations depends, largely, upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that the Firm will be able to predict those price movements accurately.

### *Market Volatility*

At various time, volatile market conditions will have a dramatic effect on the value of investments. In addition, terrorist attacks, and other acts of violence or war, health epidemics or pandemics, natural hazards, and/or force majeure can affect the operations and profitability of a company. Such events also could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial

markets and economy. Any of these occurrences could have a significant impact on the operating results and revenues of portfolio companies, and on the return of a client's investments.

#### *Use of Independent Managers*

The Firm recommends the use of *Independent Managers* for clients. The Firm will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, the Firm does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to **Item 4**, above.

#### *Private Offerings, Alternative Investments and Private Collective Investment Vehicles*

The Firm periodically recommends the investment by certain clients in private offerings, some of which are typically referred to as "alternative investments," "hedge funds" or "private placements." These securities are privately offered and not subject to securities registration. These offerings, generally speaking, are not subject to some of the laws and regulations, such as the comprehensive disclosure requirements that apply to registered offerings. The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments, which can be traded, and no requirement to diversify. The *hedge funds* frequently trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## ***Cybersecurity***

The computer systems, networks and devices used by BWC and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches can cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs are often incurred by these entities in order to prevent any cybersecurity breaches in the future.

## **Item 9. Disciplinary Information**

BWC is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. BWC does not have any required disclosures to this Item.

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

The Firm is required to disclose any relationship or arrangement that is material to its

advisory business or to its clients with certain related persons. BWC has described such relationships and arrangements below.

## Insurance Agents

As discussed above in **Item 5**, certain of BWC's *Supervised Persons* are licensed insurance agents ("BWC Insurance Agents"). In certain instances, BWC Insurance Agents will introduce a client to an insurance agent who is associated with another entity and BWC Insurance Agents will process insurance business through this entity. These entities are not affiliated with BWC. In such circumstances, BWC and these entities will share commission-based revenues.

## Item 11. Code of Ethics

The Firm and persons associated with BWC ("*Associated Persons*") are permitted to buy or sell securities that it also recommends to clients consistent with BWC's policies and procedures.

The Firm has adopted a code of ethics that sets forth the standards of conduct expected of its *Associated Persons* and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by BWC or any of its *Associated Persons*. The *Code of Ethics* also requires that certain of BWC's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in BWC's *Code of Ethics*, none of BWC's *Access Persons* are permitted to effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security, which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of BWC's clients.

When BWC is purchasing or considering for purchase any security on behalf of a client, no *Access Person* is permitted to effect a transaction in that security prior to the

completion of the purchase or until a decision has been made not to purchase such security for clients. Similarly, when BWC is selling or considering the sale of any security on behalf of a client, no *Access Person* is permitted to effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

BWC officers or employees individually invest in private offerings, which are recommended to select clients or family members, when the investment opportunity meets the risk tolerance and investment objectives of the clients. Such investments have significant risk and are not suitable investments for all clients.

Clients and prospective clients may contact the Firm to request a copy of its *Code of Ethics*.

## Item 12. Brokerage Practices

As discussed above, in Item 5, BWC does not exercise discretion in selecting brokers to execute transactions, but rather generally recommends that clients utilize the brokerage and clearing services of *Fidelity*. BWC makes this recommendation based upon its due diligence, best execution review and other factors. After consideration, it is up to the client to select their broker. If the client selects *Fidelity*, the client then directs BWC Management to execute all transactions through *Fidelity*.

Factors, which the Firm considers in recommending *Fidelity* or any other broker-dealer to clients, include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

In certain circumstances, Clients will pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where BWC determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is

not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. BWC seeks competitive rates, but does not necessarily obtain the lowest possible commission rates for client transactions.

From time-to-time, transactions are cleared through other *Financial Institutions* with whom BWC and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. The Firm periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client can direct BWC in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and BWC will not seek better execution services or prices from other *Financial Institutions* or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by BWC (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Firm will occasionally decline a client’s request to direct brokerage if, in BWC’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless BWC decides to purchase or sell the same securities for several clients at approximately the same time. At certain times at our discretion, BWC will combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among BWC’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among BWC’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that BWC determines to aggregate client orders for the purchase or sale of securities, including securities in which BWC’s Supervised Persons invest, BWC generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the

U.S. Securities and Exchange Commission. BWC does not receive any additional compensation or remuneration as a result of the aggregation. In the event that BWC determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares will be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations will be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares will be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations will be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, BWC will exclude the account(s) from the allocation; the transactions will be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares will be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services, which assist BWC in its investment decision-making process. Such research generally will be used to service all of BWC's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because BWC does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

BWC receives from *Fidelity* or *Charles Schwab*, without cost to BWC, computer software and related systems support or transition support related to investment personnel, which allows BWC to better monitor client accounts maintained at *Fidelity* or *Schwab*. BWC receives the software and related support without cost because BWC renders investment management services to clients that maintain assets at *Fidelity* or *Schwab*. The software and related systems support benefit BWC, but not its clients directly. In fulfilling its duties to its clients, BWC endeavors at all times to put the interests of its clients first.

Clients should be aware; however, that BWC's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits can influence BWC's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, BWC receives the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: 1) receipt of duplicate client confirmations and bundled duplicate statements; 2) access to a trading desk that exclusively services its Institutional Wealth Services Group participants; 3) access to block trading, which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and 4) access to an electronic communication network for client order entry and account information.

### **Item 13. Review of Accounts**

For those clients to whom the Firm provides investment management services, BWC monitors those portfolios as part of an ongoing process, while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by one of the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with BWC and to keep BWC informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom BWC provides investment advisory services will also receive a report from BWC that includes relevant account and/or market-related information such as an inventory of account holdings and account performance on at least an annual basis. Clients should compare the account statements they receive from their custodian with those they receive from BWC.

Those clients to whom BWC provides financial planning and/or consulting services will receive reports from the Firm summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by the Firm.

## Item 14. Client Referrals and Other Compensation

BWC is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, BWC is required to disclose any direct or indirect compensation that it provides for client referrals.

BWC will make referrals for certain professional services, other than investment advisory services, to our clients where appropriate. These professional services presently include executive compensation consulting only. Referral arrangements inherently give rise to potential conflicts of interest because we have an economic incentive to recommend these particular service providers. BWC addresses these conflicts through this disclosure. Engaging such services is at the discretion of the client. Fees are paid directly to BWC by the company referred.

### ***Coastal Bridge Advisors (“Coastal Bridge”)***

Coastal Bridge and BWC have a sub-advisory agreement whereby, for certain accounts, Coastal Bridge delegates the provision of investment advisory services to BWC; and Coastal Bridge and BWC agree to split the management fees paid by such account. BWC addresses these conflicts through this disclosure. If a client is introduced to BWC by a promoter, BWC has agreed to pay that promoter a referral fee in accordance with the requirements of Rule 206(4)-1 of the Advisers Act and any corresponding state securities law requirements. Any referral fees incurred for successful solicitations are paid solely from BWC’s investment management fee, and do not result in any additional charge to the client. If the client is introduced to BWC by a promoter, the promoter is required to provide the client with a copy of BWC’s written disclosure brochure, which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the promoter’s disclosure statement containing the terms and conditions of the solicitation arrangement, including the compensation the promoter is to receive.

There are no referral fees received by BWC for recommending services of other professionals, such as estate or tax professionals.

## Item 15. Custody

The Firm's *Agreement* and/or the separate agreement with any *Financial Institution* authorizes the Firm through such *Financial Institution* to debit the client's account for the amount of BWC's fee and to directly remit that management fee to BWC in accordance with applicable custody rules. This is technically deemed custody of client funds.

The *Financial Institutions* recommended by BWC have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Firm. In addition, as discussed in **Item 13**, BWC also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from BWC.

### Surprise Independent Examination

As BWC is deemed to have custody over clients' cash, bank accounts or securities under certain circumstances as a result of regulatory requirements (for reasons other than receipt of advisory fees), the Firm is required to engage an independent accounting Firm to perform a surprise annual examination of those assets and accounts over which it maintains custody. The independent accounting Firm who performs the surprise examination files Form ADV-E with the SEC on the SEC's Investment Adviser Public Disclosure website. Examples of the type of access, which subject an account to be included in the surprise annual examination, include services such as remitting third party checks or wires to a client's custodian at a client's request, serving as trustee, or other reasons. All client assets (funds and securities) are maintained with a qualified custodian.

## Item 16. Investment Discretion

The Firm is given the authority to exercise discretion on behalf of clients. The Firm is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. BWC is given this authority through a limited power-of-attorney included in the agreement between BWC and the client. Clients may request restrictions on this authority (such as certain securities not to be bought or sold). BWC takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

## **Item 17. Voting Client Securities**

BWC is required to disclose if it accepts authority to vote client securities. As set forth in client agreements, BWC does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions* and retain proxy-voting authority themselves. Independent third-party managers vote client proxies dependent on the manager's respective policy and disclosure on the manager's Form ADV.

## **Item 18. Financial Information**

BWC does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, BWC is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. BWC has no disclosures pursuant to this Item.

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