

Beanstox Inc.

Form ADV Part 3 – Client Relationship Summary

Conversation Starters

June 2020

- 1) **Given my financial situation, should I choose an investment advisory service? Why or why not?** It depends on many factors, including your personal financial situation, investment knowledge and how much you are investing. It is important for you to understand the difference in fees and services between brokerage firms and investment advisers. The following information aims to clarify our investment advisory services. Free and simple information and tools are available to answer some of additional questions at Investor.gov/CRS.
- 2) **How will you choose investments to recommend to me?** Upon opening an account at Beanstox, you will be prompted to answer a series of questions about your financial profile, investment goals, and risk tolerance levels. Based on your responses, our proprietary algorithm will recommend a proposed portfolio that is derived from one of our model portfolios. After you review the proposed portfolio, you will have the opportunity to approve or refuse it. If you approve it, the portfolio will be implemented almost entirely using ETFs. Allocations to your portfolio will be adjusted periodically using cash inflows from dividends and any additional funding you may provide. Allocations will also be adjusted if your portfolio's underlying asset allocations deviate by more than 20% from target allocations. Our proprietary algorithm will determine when such allocations need adjustments.
- 3) **What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?** Mr. Connor O'Brien leads the investment process at Beanstox. Mr. O'Brien has over 30 years of experience in financial services, including 15 years in New York, at Lehman Brothers and Merrill Lynch, followed by investment management in leading a mutual fund business and then leading the successful development and growth of O'Shares ETFs with ETFs listed on the New York Stock Exchange. He is a graduate of Dartmouth College (MBA) and Middlebury College (BA in Physics and Economics). Mr. O'Brien is supported by seasoned investment professionals and investment analysts.
- 4) **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?** Aside from a possible de minimis amount of cash that may be kept in your account, the totality of your \$10,000 will be invested. Each month, on the monthly anniversary of your Beanstox account opening, a flat \$5 fee will be deducted in advance from the bank account linked to your Beanstox account to pay for our investment advisory services. This fee does not come out of your investments. Clients will not be charged additional fees by Beanstox for costs associated with portfolio advisory services, custody, account maintenance and trade execution (except for those fees related to foreign exchange or third-party asset fees). Clients who request special or additional services may be charged for such services. Although the fees are not

negotiable, Beanstox may, at its sole discretion, waive a portion of its fees or offer fees to some clients that differ from the standard fee schedules referenced above. Clients may be charged additional fees for reimbursement of non advisory expenses such as insufficient funds charges. Fees paid to Beanstox for investment advisory services are separate and distinct from, and in addition to, the fees and expenses charged by ETFs to their shareholders. These fees and expenses are described in the prospectus of each ETF. These fees are generally composed of a management fee and other fund expenses. Beanstox does not earn or receive a portion of such fees.

- 5) **How might your conflicts of interest affect me, and how will you address them?** As we are not affiliated with any banks or broker-dealers, we are able to serve our clients free from undue influence and with minimal conflicts of interest. Because we pay for your brokerage and custodial fees through our wrap fee program, we have an incentive to keep brokerage and custodial fees low. Client accounts are invested and rebalanced by our proprietary algorithm as needed without regard to cost of brokerage. Generally, rebalancing will occur when your portfolio's underlying asset allocations deviate by more than 20% from target allocations and to allocate cash inflows from dividends and any additional funding you may provide.
- 6) **As a financial professional, do you have any disciplinary history? For what type of conduct?** No – we do not have any disciplinary history. Visit investor.gov/ for a free, simple search tool to research us and our financial professionals.
- 7) **Who is my primary contact person? Is she or he a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?** Upon emailing support@Beanstox.com or calling (617) 878-2102, you will be put in touch with personnel representing Beanstox, an investment adviser registered with the SEC. If you have concerns about how you are treated, you should contact Beanstox's Chief Compliance Officer via mail at 1010 Sherbrooke Street West, Suite 2105, Montreal, Quebec, H3A 2R7 Canada.