Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Beta Capital Advisors LLC. If you have any questions about the contents of this brochure, please contact us at: (781) 836-5151, or by email at: info@betacapitaladvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Beta Capital Advisors LLC is available on the SEC's website at www.adviserinfo.sec.gov.

March 28, 2013

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

There are no material changes to this brochure from its last update on May 9, 2012.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (781) 836-5151 or by email at:info@betacapitaladvisors.com. The brochure is also available at www.betacapitaladvisors.com

Table of Contents

Advisory Business

Firm Description

Beta Capital Advisors LLC ("BCA" or the "Firm") was founded in 2008 by Agustin J. Fleites.

The Firm provides investment advisory services to institutional clients (registered investment advisors and other business entities) as well as to individuals, trusts, estates, and charitable organizations. The Firm typically serves as sub-advisor to the retail client, although the Firm does have a number of direct client relationships.

BCA has developed a series of asset class models (BetaCore Models) investing in underlying Exchange Traded Funds (ETFs) and index-based mutual funds. The asset class models are designed to provide clients long-term exposure consistent with their asset allocation needs. BCA maintains BetaCore models for the following asset classes: large capitalization U.S. equities, broad market U.S. equities, international equities, global equities, and U.S. fixed income.

In addition, BCA has developed three multi-asset class BetaCore Models to support the needs of investors looking for diversified balanced mandates across various risk spectrums - the BetaCore Balanced Income Model, the BetaCore Balanced Model, and the BetaCore Balanced Aggressive Model. The three Models invest in underlying asset class BetaCore Models, with each balanced model representing a progressively higher allocation to the equity oriented BetaCore asset class Models (target equity allocations of 30%, 50%, and 70% for the BetaCore Balance Income, Balanced, and Balanced Aggressive models, respectively). The firm may also develop additional models to reflect client needs.

BCA also provides individuals consulting services relating to the development of investment policy statements, long-term asset allocation, and review of investment programs. In addition, BCA offers consulting services to institutional clients focused on the development and implementation of core, index-based investment products.

Principal Owner

The Firm is organized as a Delaware limited liability company. Agustin J. Fleites is the principal owner of the Firm.

Types of Advisory Services

The Firm provides investment supervisory services, also known as asset management services. This means that the Firm provides its clients with regular and continuous investment advice particularly tailored to client's investment needs.

On more than an occasional basis, the Firm furnishes advice to clients on matters not involving securities.

As of March 28, 2013, the Firm provides investment supervisory services to accounts representing collectively approximately $3.5 million in assets.

Tailored Relationships

Investment guideline statements are developed for each client to reflect their stated goals and objectives. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

Types of Agreements

The following agreements define the typical client relationships.

Agreements may not be assigned without client consent. Transactions that do not result in a change of actual control or management of the Firm shall not be considered an assignment.

Investment Management Agreement

BCA offers investment advisory services based on the BetaCore Models to institutional and individual investors. For institutions, the Firm will serve as the sub-advisor to the client account. Institutional clients will determine the desired exposure to the particular BetaCore Model(s) based on their, or their clients, needs and objectives. BCA will work with individual investors to ensure allocations to BetaCore Models are consistent with their particular investment objectives and reflect their specific needs and tolerance for risk.

BCA has developed a series of asset class models (BetaCore Models) investing in underlying Exchange Traded Funds and index-based mutual funds. The asset class models are designed to provide clients long-term exposure consistent with their asset allocation needs. BCA maintains BetaCore models for the following asset classes: large capitalization U.S. equities, broad market U.S. equities, international equities, global equities, and U.S. fixed income. BCA has also developed three multi-asset class BetaCore Models to support the needs of investors looking for diversified balanced mandates across various risk spectrums - the BetaCore Balanced Income Model, the BetaCore Balanced Model, and the BetaCore Balanced Growth Model. The three Models invest in underlying asset class BetaCore Models, with each balanced model representing a progressively higher allocation to the equity oriented BetaCore asset class Models (target equity allocations of 30%, 50%, and 70% for the BetaCore Balanced Income, Balanced, and Balanced Growth models, respectively).

The underlying ETFs and mutual funds included in the BetaCore Models are selected based on criteria including, but not limited to: funds' ability to capture the risk premia associated with the asset class segment, total expense ratios, tax efficiency, underlying invested assets, stability of advisor, fund longevity, and, for ETFs, an assesment of liquidity for each Fund.

The underlying funds are then combined in each model based on weights designed to improve portfolio diversification and to reflect the asset segment within the asset class. Portfolio allocations are reviewed at least quarterly, or more frequently in the event of significant market moves. Portfolios are rebalanced back to model target weights typically quarterly, or when positions have materially diverged from target weights.

Although the Investment Management Agreement is a continuing agreement, the length of service to the client is at the client's discretion. The client or the Firm may terminate an Agreement by written notice to the other party.

Consulting Services Agreement

BCA provides individuals consulting services relating to the development of investment policy statements, long-term asset allocation, and review of investment programs. BCA also provides consulting services to institutional clients focused on the development and implementation of core, index-based investment products.

Implementation of the recommendations is at the discretion of the client.

Investment Management

Assets are invested primarily in stocks, bonds, mutual funds and exchange traded funds (ETFs). Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock (including ETFs) and bond trades. No-load mutual funds and exchange-traded funds are usually purchased through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds. The Firm does not receive any compensation, in any form, from fund companies.

Investments may also include warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities and U.S. government securities.

Initial public offerings (IPOs) are not available through the Firm.

Termination of Agreement

Client may terminate their agreement with BCA within five (5) business days of signing their agreement without incurring any advisory fees. Furthermore, client or BCA may terminate their agreement at any time and for any reason, upon thirty (30) days written notice to the other party.

Upon notice of termination, BCA will await further instructions from client as to what steps client requests to liquidate and / or transfer the portfolio and remit the proceeds. Upon instructions received, BCA will instruct brokers, dealers, mutual fund sponsors and others to liquidate and / or transfer the portfolio and remit proceeds to client. A refund of BCA's unearned advisory fee will be made on a prorated basis as determined by BCA.

BCA can make no representation regarding puts, holds or other investment features that may limit a client's ability to liquidate or transfer all or a portion of his / her portfolio.

Consulting Services Agreements, given the customized nature of the services to be provided, will be governed by a Consulting Services Agreement. Termination provisions will provide for payment or receipt of fees earned or not earned as of the termination date.

Fees and Compensation

Description

The Firm bases its fees on a percentage of assets under management, hourly charges, and occasionally fixed fees. The following describes the Firm's current fee schedules:

Investment Advisory Services

Individual Investors

Assets Under Management	Annual Fee (%)
First $ 1 million	0.50%
Next $ 3.0 million	0.40%
Next $ 5.0 million	0.30%
Thereafter	0.25%
Minimum Annual fee	$2,500 per account

Institutional Investors

Assets Under Management	Annual Fee (%)
First $ 5 million	0.45%
Next $ 10 million	0.35%
Next $ 15 million	0.25%
Thereafter	0.20%
Minimum Annual fee	$ 10,000 per institution

In addition, minimum asset levels (ranging from $50,000 to $250,000) are required for each account. Minimum assets are based on the BetaCore Model to be implemented and are meant to ensure the ability of BCA to replicate Model's underlying allocations at reasonable costs.

In general, fees are non-negotiable. BCA reserves the right to negotiate fees with clients that differ from the fee schedules set forth above and may charge fees at a rate higher or lower than the fee schedules based on the level and character of the services provided. BCA reserves the right in its sole discretion to waive its fees with respect to any client.

Consulting Services
Fees for consulting services will be billed at hourly rates ranging from $250-$450 per hour, depending on the nature of the particular assignment. Administrative fees will range from $75-$100 per hour. BCA reserves the right in its sole discretion to waive its fees with respect to any client.

Fee Billing

Clients will be invoiced at the beginning of each calendar quarter for the following calendar quarter's services based on either initial assets in the account for new accounts (pro-rata for remaining balance of calendar quarter), or the most recent calendar quarter end value for existing accounts. Fee adjustments will be applied at the end of each calendar quarter on a pro-rata basis for intra-quarter contributions and redemptions. Whenever possible, advisory fees will be deducted from the client's custody account. Late charges will be assessed for payments not received within 30 days of invoice date.

The fee for Consulting Services is typically invoiced on a monthly basis and is payable upon receipt.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds, exchange-traded funds, stocks and bonds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

All investment advisory fees paid to BCA are separate and independent of the underlying expenses of the funds client assets are allocated to. Clients are able to invest directly in the underlying Funds, but in so doing would not benefit from BCA's services including, but not limited to: assessment of client risk and investment profile, BCA research and due diligence in selecting the appropriate funds for investment, determining allocations across funds, the ongoing monitoring and rebalancing of the allocations across funds, and quarterly performance reviews and annual meetings to review client accounts and investor profiles in detail. Clients should carefully review BCA's advisory fees together with the underlying fund expenses in evaluating BCA's advisory services.

Fund shares held in a client's account may be subject to deferred sales charges, 12b-1 fees, short-term redemption fees, and other fund annual expenses. The fees and expenses are fully described in the fund's prospectus. All fees paid to the Firm are separate and distinct from the fees and expenses charged by funds. Funds pay advisory fees to their managers and such fees are therefore indirectly charged to all holders of the fund shares. If a client has funds in the portfolio, the client is effectively paying both the Firm and the fund manager for the management of their assets.

Clients are advised that when securities are liquidated, they may be subject to transaction fees, fees assessed at the fund level (i.e. contingent deferred sales charge) and / or tax ramifications.

The Firm generally recommends that clients establish custody accounts at Charles Schwab & Co., Inc. ("Schwab"). For Firm client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. This commitment benefits the client because the overall commission rates paid is lower than they would be otherwise. In addition to commissions, Schwab charges the client a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the Firm has executed by a different broker-dealer but where the securities bought or where the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer.

Expense Ratios

Mutual funds and Exchange Traded Funds generally charge a management fee for their services as investment managers. The management fee is included in the Funds overall expense ratio. The expense ratio, in addition to the the management fee, also includes custody, fund administration, distribution, and other related fees. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to the Firm.

Past Due Accounts and Termination of Agreement

The Firm reserves the right to stop work on any account that is more than 90 days overdue. In addition, the Firm reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Firm's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 90 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

The Firm does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

The Firm provides investment advisory and consulting services to institutional clients (registered investment advisors and other business entities) as well as to individuals, trusts, estates, and charitable organizations. The Firm typically serves as sub-advisor to the retail client for the provision of investment advisory services

Client relationships vary in scope and length of service.

Account Minimums

BCA imposes minimum fees for its Investment Advisory Services. In addition, minimum asset levels (ranging from $50,000 to $250,000) are required for each account. Minimum assets are based on the BetaCore Model to be implemented and are meant to ensure ability to replicate Model's underlying allocations at reasonable costs. The minimum asset levels for each of the four Core Beta asset class models are as follows:

BetaCore U.S. Large Cap Equity Model	$100,000
BetaCore U.S. Equity Model	$100,000
BetaCore International Equity Model	$150,000,
BetaCore Global Equity Model	$250,000
BetaCore U.S. Fixed Income Model	$50,000

The minimum assets levels for each of the three balanced BetaCore Models are expected to be as follows:

BetaCore Balanced Income Model	$250,000
BetaCore Balanced Model	$250,000

BetaCore Balanced Growth Model	$250,000

BCA reserves the right to raise, lower or waive the asset level for any account in its sole discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

The security analysis methods employed by BCA's BetaCore strategies rely primarily on fundamental analysis of long-term relationships across asset classes for multi-asset class strategies and structuring diversified portfolios within asset classes to capture the risk and return profile of markets. The Firm bases the construction of its BetaCore models on core elements of modern portfolio theory including capitalizing on long-term risk and return relationships across asset classes for multi-asset class strategies, diversification across and within asset classes, and disciplined rebalancing to ensure proper diversification and risk management.

BCA utilizes various sources of information. BCA's BetaCore strategies seek to capture the risk premia across asset classes and the investment risk profile of asset classes and sub-segments of those asset classes through well diversified investment portfolios. BCA uses index data on the various asset class segments to develop its models. Index data evaluated includes, but is not limited to, detailed long-term performance histories, structural composition of indexes across and within asset classes, fundamental characteristics, and factor analysis of the behavior of the indexes.

As BCA then relies on index-based funds to make investment allocations for its Investment Advisory clients, the Firm also reviews detailed performance histories of the funds and fundamental information of the funds including, but not limited to, experience of firm in managing index-based products, costs and tax efficiency of the funds.

As the Investment Advisory Services provided by BCA depend on long-term asset allocation and disciplined rebalance programs they rely on long-term purchase as well as trading and short-term purchase strategies to meet investment objectives and to execute the rebalancing element of the advisory program.

Through its Consulting Services, the Firm works with clients to develop investment policy statements, long-term asset allocation targets, and to review their existing investment programs. In providing these services BCA implements fundamental analysis of long-term relationships across asset classes and assesses investment exposures across client investment portfolios. In developing investment policy statements and long-term asset allocation programs the Firm relies on analysis of long-term risk-relationships across asset classes as captured by asset class indexes. In evaluating client investment programs the Firm relies on index data, detailed portfolio performance record, portfolio holdings, and research materials prepared by others to evaluate performance and risk attributes relative to client investment objectives and risk profile.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of

financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities and Affiliations

The Firm does not engage in any additional financial industry activities and does not maintain any material financial industry affiliations.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of the Firm have committed to a *Code of Ethics*. The *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of its associated persons. The *Code of Ethics* also requires that certain of the Firm'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. The Firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

BCA or individuals associated with the Firm may buy or sell the same securities that are held in client advisory accounts. In addition BCA or associated individuals may buy or sell securities that Consulting Services clients may hold or for which BCA may provide investment recommendations.

Brokerage Practices

Selecting Brokerage Firms and Custodians

The Firm does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. The Firm recommends custodians based on the proven integrity and financial responsibility of the Firm and the best execution of orders at reasonable commission rates.

The Firm does not maintain custody of client assets that the Firm manages, although the Firm may be deemed to have custody of client assets if a client gives the Firm the authority to withdraw assets from the client's account. A client's assets must be held at a "qualified custodian," generally a broker-dealer or bank. The Firm recommends that that clients use Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. The Firm is independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy or sell securities when instructed to do so. While the Firm recommends that the client use Schwab as custodian/broker, the client will decide whether to do so and will open an account with Schwab by entering into an account directly with them. The Firm does not open the account for the client, although the Firm may assist the client in doing so. If a client does not wish to place his assets with Schwab, the Firm may not be able to manage the client's account. Not all advisors require the use of a particular broker-dealer or custodian selected by the advisor. Even though a client's account is maintained at Schwab, the Firm can still use other brokers to execute trades for a client's account as described below.

The Firm seeks to recommend a custodian/broker who will hold a client's assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. The Firm considers a wide range of factors, including, among others:

- Capability to execute, clear, and settle trades (buy and sell securities for a client's account)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc)
- Availability of investment research and tools that assist the Firm in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate prices
- Reputation, financial strength and stability
- Prior service to the Firm and other clients
- Availability of other products and services that benefit the Firm.

Best Execution

The Firm reviews the execution of trades at the custodian on a periodic basis. The review is documented in the Firm's *Compliance Manual*. Trading fees charged by the custodian is also reviewed on a quarterly basis. The Firm does not receive any portion of the trading fees.

As previously described under **Fees and Compensation – Other Fees**, in addition to commissions, Schwab charges the client a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the Firm has executed by a different broker-dealer but where the securities bought or where the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, the Firm will normally have Schwab execute trades for a client's account. The Firm has determined that having Schwab execute client trades is consistent with the Firm's duty to seek "best execution" .

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 broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Transactions for each client generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Firm'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 the Firm's clients pro rata to the purchase and sale orders placed for each client on any given day. The Firm willl not receive any additional compensation as a result of the aggregation of orders.

Review of Accounts

Periodic Reviews

Agustin J. Fleites, Managing Director and Chief Investment Officer, is responsible for Investment Advisory Accounts. Investment Advisory Accounts will be reviewed internally at least on a monthly basis. Monthly reviews will include an assessment of account performance versus the applicable benchmark, asset allocation relative to targets, and a review of underlying investments to ensure meeting investment objectives and within investment risk profile. Accounts will be rebalanced on a quarterly basis, or more frequently based on significant moves and/or dislocations.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Unless otherwise agreed upon, clients are provided (electronically) with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Additional charges may be levied for clients requesting printed reports.

Investment Advisory clients will receive quarterly reports (electronically) including performance assessment relative to applicable benchmark, account asset allocation, and account rebalance and trading details for the quarter.

Additional charges may be levied for clients requesting printed reports.

Client Referrals and Other Compensation

Incoming Referrals

BCA may receive client referrals from outside individuals or organizations (usually attorneys, CPA's or other professionals). These individuals may receive a portion of the fees charged to the client, but in no event will the client be charged additional fees to offset those paid to the referral source. Proper licensing (if required by the states) must be maintained by any referral source paid, and full disclosure will be made to clients in writing.

Referrals Out

BCA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to other firms.

Other Compensation

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like the Firm. They provide the Firm and its clients with access to its institutional brokerage – trading, custody, reporting and related services –many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those help the Firm manage or administer client accounts while others help the Firm manage and grow its business. Schwab's support services generally are available on an unsolicited basis (the Firm does not have to request them) and at no charge to the Firm as long as a minimum level of client assets are maintained in accounts at Schwab.

Services That Benefit the Firm's Clients. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which the Firm might not otherwise have access or that would require a significantly higher minimum initial investment by the Firm's clients. Schwab's services described in this paragraph generally benefit the client and the client's account. In addition, the Firm received a software maintenance credit of approximately $5,000 in 2011 from Schwab which offset the fee charged by Black Diamond, a fund accounting and performance reporting provider. All clients benefit from this credit as it reduces the Firm's overall expenses.

Services That May Not Directly Benefit Clients. Schwab also makes available to the Firm other products and services that benefit the Firm but may not directly benefit the client or the client's account. These products and services assist the Firm in managing and administering the clients' accounts. They include investment research, both Schwab's own and that of third parties. The Firm may use this research to service all or a substantial number of the clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of the Firm's fees from client accounts
- Assist with back office functions, recordkeeping and client reporting

Services That Generally Benefit Only the Firm. Schwab also offers other services intended to help the Firm manage and further develop its business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Firm. Schwab may also discount or waive its fees for some of these services or pay all or a portion of a third party's fees. Schwab may also provide the Firm with other benefits, such as occasional business entertainment of our personnel.

The Firm's Interest in Schwab's Services. The availability of these services from Schwab benefits the Firm because the Firm does not have to produce or purchase them. The Firm doesn't have to pay for Schwab's services so long as the Firm's clients collectively maintain a minimum level of assets in accounts at Schwab. Beyond that, these services are not contingent upon the Firm committing any specific amount of business to Schwab in trading commissions or assets in custody. The minimum level of assets may give the Firm an incentive to recommend that clients maintain accounts with Schwab based on the Firm's interest in receiving Schwab's services that benefit the Firm's business rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. The Firm believes, however, that the selection of Schwab as custodian and broker is in the best interests of the Firm's clients. The Firm's selection is primarily supported by the scope, quality and price of Schwab's services and not Schwab's services that benefit only the Firm.

Custody

Account Statements

Schwab maintains actual custody of the client's assets. Clients will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address the client provided to Schwab. Clients should carefully review those statements promptly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by the Firm.

Investment Discretion

Discretionary Authority for Trading

The Firm accepts discretionary authority to manage securities accounts on behalf of clients. For these accounts the Firm has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. The Firm does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in client accounts so that the Firm may promptly implement the investment guidelines that the client has approved in writing.

Voting Client Securities

Proxy Votes

The Firm does not vote client proxies on securities. Clients are expected to vote their own proxies.

Class Actions

The Firm does not advise or act for Clients in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of these securities

Financial Information

Financial Condition

The Firm does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because the Firm does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than $1,200 per client six months or more in advance.

Business Continuity Plan

General

The Firm has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Information Security Program

Information Security

The Firm maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

The Firm is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that The Firm collects from you may include information about your personal finances, information about your health to the extent that it is needed, information about transactions between you and third parties. The Firm will use this information to help you meet your personal financial goals.

With your permission, the Firm will disclose limited information to attorneys and accountants with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, the Firm may share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

The Firm maintains a secure office to ensure that your information is not placed at unreasonable risk. The Firm employs a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

The Firm does not provide your personal information to mailing list vendors or solicitors. The Firm requires strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

The Firm will notify you in advance if our privacy policy is expected to change. The Firm is required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

The Firm requires that advisors in its employ have a bachelor's degree. Additionally, advisors must have work experience that demonstrates their aptitude for investment management.

Massachusetts law (Section 203A) requires advisers to disclose information on disciplinary history and the registration of the adviser and its associated persons. This information may be obtained via the U.S. Securities and Exchange Commission public disclosure website at www.sec.gov/checkoutbrokersandadvisers, by phone at (202) 942-8090 or the Massachusetts Securities Division, One Ashburton Place, 17th Floor, Boston, Massachusetts 02108.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere and comply with the CFA Institute's *Code of Ethics and Standards of Professional Conduct*, *Rules of Procedures for Professional Conduct*, and submit an annual *Professional Conduct Statement*.

AGUSTIN J.FLEITES, MBA, CFA

Born 1965

Educational Background:

- Master's of Business Administration, Babson College, 1995
- Bachelor's of Science, Economics, University of Pennsylvania, Wharton School, 1987

Business Experience:

- Founder and Managing Director ***Beta Capital Advisors*** (formerly Ri-Ta Advisors LLC) (2008-Present)
- President ***IndexIQ Asset Management LLC*** (2007)
- Chief Investment Officer and Head of ETFs ***ProFunds Group*** (2005-2006)
- State Street Global Advisors (SSgA) (1987-2005)
    - President SSgA Funds Management, Inc. and Managing Director Advisor Strategies (2002-2005)
    - Head of ETFs (1999-2005)
    - Head of Offshore and Latin America (1999-2002)
    - Head of Asset Allocation Strategies (1993-1999)
    - Managing Director, SSgA Australia (1991-1993)
    - Vice President, Portfolio Manager, Active International Equity Group (1987-1991)

Additional Compensation: None

Other Business Activities:

In addition to Investment Advisory Services BCA also provides consulting services to institutional clients focused on the development, launch, and support of core, index-based investment products. The Firm allocates approximately 40% of its time to providing these services.

Supervision:

As disclosed, Mr. Fleites is the sole investment advisory representative and officer associated with the Firm. As such, Mr. Fleites is the senior officer responsible for all supervisory activities of the Firm. Mr. Fleites' contact information follows:

(781) 836-5151
afleites@betacapitaladvisors.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None