



July 2015  
(originally March 1997)  
About Beacon  
Financial Advisors Ltd.

Beacon is an independent fee-only advisor with a clear mission statement: To provide our clients long-term value-added financial counsel and investment performance with exceptional service.

Beacon is a Registered Investment Advisor with the US Securities and Exchange Commission.

Beacon's Advisors  
**MARCEL HEBERT** has a B.S. in Finance, an M.B.A., and is a Certified Financial Planner (CFP) licensee and a Chartered Financial Analyst (CFA) charterholder.

**JOSH HEBERT** has a B.S. in Accounting, an M.B.A., and is a Certified Internal Auditor (CIA) and a Certified Financial Planner (CFP) licensee.



# CHARTING THE COURSE



Special Series of Briefs About Beacon's Client Services

## BEACON ANSWERS THE CLIENT'S QUESTION...Do You Eat Your Own Cooking?

Well, I must admit he didn't ask the question just that way, but his meaning was clear. In fact, his question actually went something like, "Do you invest **YOUR** money the way you'll invest **MY** money?" I hadn't really anticipated that question. You see, the year was 1983 and this meeting represented the first time I'd ever tried to convince a prospect to become my investment management client. I was 25 and he was 60. I was green, and he'd practiced law for over 35 years. I was nervous, and he was skeptical. I was...oh well, you get the picture?



I've replayed that scene in my mind many times since then. My first new client later told me of his "hard lessons" learned only after losing money to poor investments. And his question, etched forever in my minds-eye, taught me a very valuable lesson that inspires **BEACON'S** approach towards helping clients invest their hard-earned money. It's sort of a rephrased golden rule...**We shouldn't ask our clients to invest in anything that we wouldn't invest in ourselves, assuming similar objectives and constraints.** If I wouldn't buy a limited partnership, why should I recommend one? If I wouldn't buy a mutual fund with a 5.75% load, why should I recommend one? From our firm's inception we have required that our employees, and by extension any of their family relations or entities that engage BEACON, invest in the same mutual funds as those we recommend to our clients. In July 2010 the US Securities & Exchange Commission ("SEC") substantially changed the ADV from a mostly "check the box" form to a plain English narrative covering eighteen (18) specific disclosure sections. On p. 2 we have inserted the section in BEACON'S ADV named Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. You'll see we do indeed eat our own cooking.

In addition to *eating our own (good) cooking*, **BEACON** favors mutual fund managers that invest their own money in their mutual funds. For instance, Dodge & Cox's® mutual funds are among our earliest holdings in portfolios of our clients and **BEACON'S** principals—some dating back to the 1980's. All of Dodge & Cox's portfolio managers have substantial investments in their funds. According to Morningstar® over 60% of Dodge & Cox's portfolio managers have more than \$1MM personally invested in their funds—easily the highest percentage in the mutual fund industry. Additionally, Dodge & Cox's employer-sponsored qualified retirement plans have substantial employee-participation in their funds. Eating your own cooking—we think that is a great **recipe for success!**





BEACON ANSWERS THE CLIENT QUESTION...Do You Eat Your Own Cooking?

**Firm Brochure**

(Part 2A of Form ADV)

BEACON FINANCIAL ADVISORS, LTD. ("BEACON")

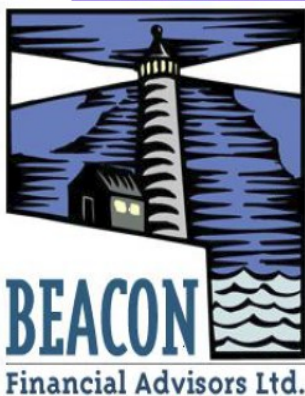
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This brochure provides information about the qualifications and business practices of BEACON. If you have any questions about the contents of this brochure, please contact us at:

✦ Phone 713.622.9981

✦ Email [beacon@bfaltd.com](mailto:beacon@bfaltd.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 BEACON is available on the SEC's website at <http://www.adviserinfo.sec.gov>.

*"...we believe in "eating our own cooking" meaning our employees personal portfolios may hold the same no-load mutual funds we recommend to you. We believe this approach more closely aligns interests between us and you concerning our role in your securities transactions."*

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

Here we note that we are a fiduciary to you with a duty to act solely in your best interest. We have a written policies and procedures manual instructing our employees in practical ways to put your interests first.

Code of Ethics

The employees of BEACON have committed to a Code of Ethics that is available for review by you and prospective clients upon request. We will provide a copy of the Code of Ethics to you or prospective clients upon request.

Our Code of Ethics includes the following core principles:

- ✦ Objectivity
- ✦ Full Disclosure
- ✦ Integrity and Honesty
- ✦ Competence
- ✦ Confidentiality
- ✦ Professionalism
- ✦ Regulatory Compliance

Participation or Interest in Client Transactions

BEACON does not act as a principal, broker, or agent in regard to securities you buy or sell. We have no financial interest in any securities you buy or sell. As noted earlier in **Methods of Analysis, Investment Strategies and Risk of Loss** our recommendations to you exclusively include no-load mutual funds.

BEACON does not have, nor expects to have, any mutual fund shares like those we recommend to you (e.g. stocks, bonds, etc.). As noted earlier in **Advisory Business/Principal Owners**, BEACON is a limited liability company (LLC) taxed like a partnership. Practically that means all net income flows to the LLC members. It is likely BEACON will have a bank account and/or a brokerage account with funds held in short-term money market funds for normal operating expenses.

BEACON'S employees may buy or sell securities that are also held by clients. As noted above, our recommendations to you exclusively include no-load mutual funds. From a philosophical perspective, we believe in "eating our own cooking" meaning our employees personal portfolios may hold the same no-load mutual funds we recommend to you. We believe this approach more closely aligns interests between us and you concerning our role in your securities transactions.

Personal Trading

The Chief Compliance Officer of BEACON is Marcel J. Hebert. He reviews all employee trades each quarter. His trades are reviewed by Joshua J. Hebert. As noted above in our "eat your own cooking" observation, since all employee trades are mutual fund trades, the trades do not affect the securities markets.