

## Item 1: Introduction

Beaton Management Company Inc. is registered with the Securities and Exchange Commission as an investment advisor. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## Item 2: Relationships and Services

### What investment services and advice can you provide me?

The primary service of Beaton Management is to provide investment advisory services to retail investors and non-profit organizations. As part of this asset management function we often offer financial planning services. Our practice is to exercise discretion (the ability to make decisions to buy and sell securities in your account without your permission) when managing your account. In a non-discretionary account, prior to each securities transaction, Beaton Management obtains approval from you before executing the buy and sell.

As part of our standard advisory services, we monitor the securities held in your account(s) on an ongoing, continuous basis. We formally review each client account at least annually.

#### **CONVERSATION STARTERS.** Ask your financial professional:

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

## Item 3: Fees, Costs, Conflicts and Standard of Conduct

### What fees will I pay?

Most of our clients pay us investment advisory fees based on the average market value of assets under management, including cash and cash equivalents. These fees are paid quarterly, in arrears. In some situations, we are paid fixed fees. Investment advisory fees are negotiable. Some clients will pay higher or lower rates than those shown in our current fee schedule depending on the complexity and nature of the services provided.

#### **CONVERSATION STARTER.** Ask your financial professional:

- *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?*

Our standard fee schedule is tiered, based on the amount of assets you invest with us:

<i>First</i>	<i>\$100,000</i>	<i>@ 1.5%</i>
<i>Second</i>	<i>\$100,000</i>	<i>@ 1.0%</i>
<i>Third</i>	<i>\$100,000</i>	<i>@ 0.8%</i>
<i>Next</i>	<i>\$200,000</i>	<i>@ 0.6%</i>
<i>Above</i>	<i>\$500,000</i>	<i>@ 0.4%</i>

Our advisory fee is typically not the only fee clients will pay. For example, you may pay custody fees and transactional fees when we buy or sell investments in your account.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. For example, we charge an investment advisory fee based on assets we manage. We may, therefore, have an incentive to recommend adding assets to an account that we manage that increases the fee you pay us.

**CONVERSATION STARTER. Ask your financial professional:**

- ***How might your conflicts of interest affect me and how will you address them?***

**How do your financial professionals make money?**

We benefit from the advisory services we provide to you because of the advisory fees we receive from you. This compensation may vary based on different factors, such as those listed above in this item. Our employees are paid a salary. We do not charge portfolio performance fees. We do not receive commissions from any investments we buy and sell for client accounts.

## **Item 4: Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history?**

**CONVERSATION STARTER. Ask your financial professional:**

- ***As a financial professional, do you have any disciplinary history? For what type of conduct?***

No, you can visit [www.investor.gov](http://www.investor.gov) for a free, simple search tool to research us and our financial professionals.

## **Item 5: Additional Information**

**CONVERSATION STARTER. Ask your financial professional:**

- ***Who is my primary contact person? Is he or she 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?***

For additional information about our services, see our ADV Part 2A Brochure available at <https://adviserinfo.sec.gov/firm/summary/104728> and any individual brochure supplement your representative provides. If you would like additional, up-to-date information or a copy of this disclosure, please contact us at 978.372.3008.