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## Investment Advisory Brochure

This brochure provides information about the way we do business. If you have any questions about this brochure, please contact us at (212) 388-9873 or [info@jbglobal.com](mailto:info@jbglobal.com). This brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. We are a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about us is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by entering JBGlobal.com L.L.C.

## Item 2 – Material Changes

This brochure dated July 25, 2011 is a new document prepared according to the SEC's new requirements and rules. This brochure contains new and different information from older documents.

In the future, this section will describe only specific material changes and provide you with a summary of those changes. We will also tell you the date of our last annual update of this brochure.

We will also send you an up-to-date Brochure at any time, free of charge. As required by the SEC, we will also send you our updated brochure annually.

You may request our brochure by contacting James Berman at (212) 388-9873 or [jberman@jbglobal.com](mailto:jberman@jbglobal.com). Our brochure is also on our web site at: [www.jbglobal.com](http://www.jbglobal.com).

### Comment [ACM1]: Instruction for Item 2.

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

**Note:** You do not have to separately provide this information to a *client* or prospective *client* who has not received a previous version of your *brochure*.

**Ascendant Comment:** See Rule 204-3 of the Investment Advisers Act for specific delivery obligations to new clients, and obligations for ongoing and annual delivery. Rule 204-3 has been significantly amended and requires that new policies and procedures be implemented. Ascendant's suggested language is designed to explain to clients the transition to the new ADV Part 2 brochure format. Future updates to brochures will require specific information noted above in the SEC instructions.

### Item 3 -Table of Contents

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Brochure Supplement(s)

**Comment [ACM2]: Instruction to Item 3.**

Provide a table of contents to your *brochure*.  
**Note:** Your table of contents must be detailed enough so that your *clients* can locate topics easily. Your *brochure* must follow the same order, and contain the same headings, as the items listed in Part 2A.

**Ascendant Comment:** Do not delete any of the 19 specific Item Headings in the Template. Each Heading is required, except Item 19 which SEC registered advisers should delete. You may further use the outline feature for any Item to indicate subheadings as you deem necessary.

#### Item 4 – Advisory Business

We provide investment advisory services (money management) to individuals, trusts and foundations. We also advise a private fund, the JGlobal Fund L.P. (The “Fund”) that invests in global equities and another private fund, Eitan Ventures L.L.C. (“EV”) that invests in new, start-up companies. We are sub-advisor to EV, meaning that we provide investment advice under supervision of EV’s management.

We don’t believe that anyone can “time” the markets or sustainably trade based on guessing the direction of short-term securities prices. The next short-term uptick or downtick of the Dow is unknowable; we believe that only a charlatan would pretend otherwise. We, therefore, apply the only approach that we believe works over time: a long-term investment strategy rooted in the precepts of value investing. Value investing looks at securities for what they are: the ownership stakes in businesses in the case of stocks (or the debt obligations of companies or governments, as in the case of bonds). We try to buy such securities at discounts to their intrinsic value, as measured by the financial statements, when the market panics by selling off a particular sector or company. We try to sell securities at times of exuberance and overextended optimism, when prices are artificially high and reinvest those proceeds in what’s underpriced.

We don’t buy or sell based on charts of stock movements, trading strategies or “hunches” We believe those strategies are recipes for eventual failure, no matter the practitioner. We attempt to buy what’s undervalued and sell what’s overvalued, trying always to reallocate from the expensive to the cheap. We do this not knowing *when* the tide will turn, but knowing that it often will. Good assets return to favor eventually. We eschew market timing, trading and most hedging strategies, deeming them false comforts, often destined to fail—ironically, just when they’re needed most. As the saying goes, the market is designed to humiliate the maximum people the maximum number of times. We approach markets with the appropriate humility, which means ignoring “macro” calls, the next new thing, and all manner of hype and trend. We typically buy securities or funds in sectors that are unloved, unwanted and unfashionable—and hence cheap as a result. Those looking for a trader, market timer or “seer” should look elsewhere. Those looking for an investment advisor that makes decisions based on a deliberative assessment of value should work with us.

Our company is wholly owned by James Berman. We have been managing assets as a registered investment adviser since 1996. As of March 14, 2011, we have \$34,541,132 in assets under management. Schwab Institutional, a division of Charles Schwab & Co., acts as an independent custodian for our client accounts and executes trades on behalf of our

##### Comment [ACM3]: Instruction for Item 4.

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

**Notes:** (1) For purposes of this item, your principal owners include the *persons* you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of *clients*. Explain whether *clients* may impose restrictions on investing in certain securities or types of securities.

D. If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

E. If you manage *client* assets, disclose the amount of *client* assets you manage on a *discretionary* basis and the amount of *client* assets you manage on a *non-discretionary* basis. Disclose the date “as of” which you calculated the amounts.

**Note:** Your method for computing the amount of “*client* assets you manage” can be different from the method for computing “assets under management” required for Item 5.F in Part 1A. However, if you choose to use a different method to compute “*client* assets you manage,” you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your “as of” date must not be more than 90 days before the date you last updated your *brochure* in response to this Item 4.E.

**Ascendant Comments:** Amended Rule 204-2 of the Investment Advisers Act requires you to create and maintain a record describing how you calculated assets under management differently than in Item 5.F. of Form ADV, Part 1A, if applicable.

clients. They also provide the bulk of our back-office support, including creating and mailing account statements and keeping track of tax information for separate accounts. We are a completely independent and separate business from Schwab Institutional.

## Item 5 – Fees and Compensation

### GENERAL INFORMATION ON FEES:

We provide investment advisory services to individual, separate accounts. These accounts are managed on a discretionary basis, meaning we make changes to the portfolio without asking the client first. We tailor these accounts, by determining the proper mix of assets (such as stocks and bonds) to individual client needs and preferences. We require a minimum of \$500,000 of assets to manage an account. We may waive this minimum in certain cases.

The investment advisory services we provide to separate, individual accounts are different and unrelated to the services we provide to the Fund, or to EV. We describe those services and fees in Item 6, below.

We charge fees for investment advisory services to individual, separate accounts based on the following scale:

<u>TOTAL ASSETS MANAGED</u>	<u>ANNUAL FEE</u>
Up to \$200,000	1.50%
\$200,001-\$300,000	1.25%
\$300,001-\$500,000	1.10%
\$500,001-\$1,000,000	1.00%
Over \$1,000,000	0.95%

We bill the annual fee directly to client accounts in quarterly installments. You will receive a statement from Charles Schwab & Company showing the charge to the account at the beginning of each calendar quarter (based upon the account value at the end of the month before).

We may negotiate account minimums and fees in some cases. You may be able to get similar investment advisory services at lower cost somewhere else.

Either of us can cancel the client agreement at any time, for any reason, with 30 days' written notice. Prior to closing the account, we will charge any earned, unpaid fees.

#### Comment [ACM4]: Instruction to Item 5.

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

**Note:** If you are an SEC-registered adviser, you do not need to include this information in a *brochure* that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

B. Describe whether you deduct fees from *clients'* assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.

C. Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.

D. If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

E. If you or any of your *supervised persons* accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4. 1. Explain that this practice presents a conflict of interest and gives you or your *supervised persons* an incentive to recommend investment products based on the compensation received, rather than on a *client's* needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to *clients*. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

2. Explain that *clients* have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

3. If more than 50% of your revenue from advisory *clients* results from commissions and other compensation for the sale of investment products you recommend to your *clients*, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

**Note:** If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes.

The fees we charge for investment advisory services are separate and distinct from the fees and expenses that mutual funds and exchange-traded funds (etf's) charge their shareholders. These fees and expenses are described in each fund's brochure (prospectus). These fees generally include a management fee, other fund expenses, and a possible marketing fee. If the fund also charges a sales charge, a client may pay an upfront or back-end sales charge. We will not receive any part of these commissions, fees, and costs. You could invest in a mutual fund directly, without our services. To understand the total amount of fees you pay, you should review both the fees charged by the mutual funds or etf's as well as our fees.

Our fees are separate from brokerage commissions, transaction fees, and other related costs and expenses which Charles Schwab & Company may charge you. Custodians, brokers, and other third parties may charge you custodial fees, 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. We don't receive any part of these commissions, fees, and costs. Please see Item 12, below, for additional information on brokerage.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

We are the investment advisor to the JBGlobal Fund L.P. (the "Fund"). The Fund is a long-only (no short positions) and unleveraged (no borrowed money), concentrated fund that invests in stocks. We charge the Fund an annual management fee of 1% of the assets. JBGLOBAL L.L.C. (a related party to us, meaning that James Berman is the sole owner of both companies) is the general partner of the Fund and charges a performance fee of 20% of the gains (both realized and unrealized, meaning whether the stocks are sold to produce the gains or not) in the Fund. The Fund pays some fund expenses directly (see the full Fund documents for details). The Fund bills the annual management fee in quarterly installments, and the Fund bills the performance fee annually (based on the prior 12 month period), subject to a high-water mark (meaning that performance fees cannot be charged until client assets recover to their highest prior point). The Fund will charge the performance fee following all regulations of Rule 205-3 of the Investment Advisors Act of 1940. The Fund will follow Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) and apply the available exemptions, including the exemption that all clients who are partners in the Fund are "qualified clients," meaning they have sufficient financial resources (as defined by the SEC) to invest in a private fund. The Fund requires a minimum investment of \$250,000 to invest. The Fund may waive this minimum amount in some cases (see the full Fund documents for details).

We also serve as the sub-advisor to a venture capital fund called Eitan Ventures LLC ("EV"). In exchange for investment advice, we charge EV a performance fee of 25% of the gains

#### **Comment [ACM5]: Instruction to Item 6.**

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

**Ascendant Comment:** Please see the two sample responses we have provided in the body of the document.

(both realized and unrealized) in EV. EV pays its own expenses out of its own assets. We do not charge any management fee for our services as Sub-advisor to EV. The managing member of EV also charges a performance fee of the gains (see the full set of EV documents for details).

Performance-based fees may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance-based fees also create an incentive to favor higher fee paying accounts over other accounts when deciding on investment opportunities. We follow procedures to make sure all clients are treated fairly and equally, and to prevent this potential conflict of interest from influencing the allocation of investment opportunities among clients.

#### Item 7 – Types of Clients

We provide investment advisory services (money management) primarily to individuals, trusts and foundations. We also advise a private fund, the JBGlobal Fund L.P. (The “Fund”) that invests in stocks. We also advise another private fund, Eitan Ventures L.L.C. (“EV”) that invests in new, start-up companies. We are sub-advisor to EV, meaning that we provide investment advice under supervision of EV’s management.

We provide investment advisory services to individual, separate accounts. These accounts are managed on a discretionary basis, meaning we have authorization to make changes to the portfolio without asking the client first. We tailor these accounts, by determining the proper mix of assets (such as stocks and bonds) to individual client needs and preferences. We require a minimum of \$500,000 of assets to manage an account. We may waive this minimum in certain cases.

**Comment [ACM6]:** **Instruction to Item 7.** Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.  
**Ascendant Comment:** Be sure this response is consistent with Form ADV Part 1, Item 5.D.

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

We follow a fundamental “investment” approach, meaning that we try to purchase securities trading at lower prices than our estimate of their actual, intrinsic value and hold them until the price is higher than the value, often for long periods of time. We don’t use a “trading” approach, meaning we don’t buy and sell securities rapidly in an effort to guess the short-term direction of their prices. We mainly analyze company and fund financial statements in order to choose investments. Investing in securities involves a risk of loss that you should be prepared to bear. Please note that past performance does not guarantee future results and that global investment subjects you to significant risks, including, but not limited to: currency risks, price risks, political risks, interest rate risks, investment risks, credit risks, and market risks. For a full description of these risks, please contact us.

**Comment [ACM7]:** [Instruction to Item 8.](#)

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.  
B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

**Ascendant Comment:** Various mutual fund and private fund prospectuses should serve as important sources of sample disclosure for this Item. Also review and consider your Investment Committee records.

## Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be important for you to know before you decide to hire us. We are happy to tell you we have nothing to report and we never have. As long as we’ve been in business, we have never been the subject of any complaints nor been involved in any disciplinary proceedings.

**Comment [ACM8]:** [Instruction to Item 9.](#)

If there are legal or disciplinary events that are material to a *client’s* or prospective *client’s* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person’s* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client’s* or prospective *client’s* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client’s* or prospective *client’s* evaluation.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a *management person* 1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false



## Item 10 – Other Financial Industry Activities and Affiliations

In addition to serving as our Managing Member, James Berman teaches Corporate Finance at NYU SCPS as an adjunct professor. James Berman also writes for the *Huffington Post* and for other publications on financial topics. James Berman also participates in other media, such as TV interviews and webcasts.

## Item 11 – Code of Ethics

JBGLOBAL.com LLC (“JBGLOBAL”) provides investment advisory services to both separate accounts and the JBGLOBAL FUND L.P. We will always try to serve the client fairly, professionally, and ethically. In order to ensure such ethical dealings, the following Code of Ethics outlines the basic firm rules that protect clients.

### GENERAL COMPLIANCE PROCEDURES:

- A) James Berman is designated as the Chief Compliance Officer for JBGLOBAL.
- B) All compliance procedures will be reviewed at least annually for adequacy.
- C) All client assets are held at the institutional division of Charles Schwab & Company, a qualified custodian. All proper procedures and safeguards shall be taken to make sure that assets remain safeguarded there.
- D) We will keep all required records in paper or electronic form. If maintained in electronic form, records shall be able to be printed out in paper form.
- E) All valuation of client holdings is performed by Charles Schwab & Co (or their third-party vendors), based on publicly quoted market prices, except for Eitan Ventures LLC, to which we are Subadvisors. Eitan Ventures LLC values all illiquid investments at their cost due to the difficulty of valuing stakes in start-up companies.
- F) All clients are sent annual notice that they are entitled to a copy of our entire ADV form at any time upon receipt of written request—as required by SEC regulations.

### Comment [ACM9]: Instruction to Item 10.

- A. If you or any of your *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.
- B. If you or any of your *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.
- C. Describe any relationship or arrangement that is material to your advisory business or to your *clients* that you or any of your *management persons* have with any *related person* listed below. Identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how you address it.
  - 1. broker-dealer, municipal securities dealer, or government securities dealer or broker
  - 2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
  - 3. other investment adviser or financial planner
  - 4. futures commission merchant, commodity pool operator, or commodity trading advisor
  - 5. banking or thrift institution
  - 6. accountant or accounting firm
  - 7. lawyer or law firm
  - 8. insurance company or agency

### Comment [ACM10]: Instruction to Item 11.

- A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.
- B. If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.  
Examples: (1) You or a *related person*, as principal, buys securities from (or sells securities to) your *clients*; (2) you or a *related person* acts as general partner in a partnership in which you solicit *client* investments; or (3) you or a *related person* acts as an investment adviser to an investment company that you recommend to *clients*.
- C. If you or a *related person* invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.
- D. If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time

#### ADDITIONAL GENERAL COMPLIANCE PROCEDURES:

Client Investment Goals and Risk Tolerance: All clients are instructed to complete a Confidential Client Questionnaire to document and assess their investment goals, time horizon and risk tolerance. James Berman then personally reviews this questionnaire with each client to make sure security investment risks are explained and understood, and to verify suitability of client security purchases. In cases where a client does not fill out the Questionnaire completely, James Berman conducts an extensive interview to learn about the Client's personal needs and objectives.

Client Phone Calls: All material client phone calls are documented electronically in the Client Notes Folder.

Client Funds/Securities: Clients receive confirmation from Charles Schwab & Co on their monthly statements when new funds/securities are deposited in their account.

JBGLOBAL has a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons at JBGLOBAL must acknowledge the terms of the Code of Ethics when employed.

JBGLOBAL anticipates that (in appropriate circumstances, consistent with clients' investment objectives) it will purchase or sell in accounts over which JBGLOBAL has management authority--and will recommend to investment advisory clients or prospective clients--securities in which JBGLOBAL, its affiliates and/or clients, directly or indirectly, have a position of interest. JBGLOBAL's employees and persons associated with JBGLOBAL are required to follow JBGLOBAL's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of JBGLOBAL and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for JBGLOBAL's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of JBGLOBAL will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of JBGLOBAL's clients. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between JBGLOBAL and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with JBGLOBAL's obligation of best execution.

JBGLOBAL's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting James Berman.

JBGLOBAL's policy is that we will not execute any principal or agency cross securities transactions for client accounts. JBGLOBAL will also not cross trades between client accounts, meaning we will not sell securities from one account to another. Principal transactions are trades where an adviser, acting as principal for its own account (or the account of an affiliated broker-dealer), buys from or sells any security to a client. A principal transaction may also be a trade where a security is sold between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser (or any person controlled by or under common control with the investment adviser) acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. JBGlobal is not registered as a broker-dealer and does not have an affiliated broker-dealer.

If appropriate, we may recommend that a client invest in the JBGlobal Fund L.P. (the "Fund"), a global equity fund. We have a direct financial interest in this Fund and we receive both a management fee and a performance-based fee in return for our advisory services to the Fund. All clients who become members in the Fund are "qualified clients" according to SEC Rule 205-3 and "accredited investors" according to Rule 501 of Regulation D under the Securities Act of 1933. In addition, we screen clients for the suitability and appropriateness of the Fund investment. All prospective Fund members are required to receive and review a detailed subscription agreement and operating agreement before investing which warns them of the substantial risks involved in the investment. In addition, they sign the subscription agreement which attests to their "qualified" and "accredited investor" status.

If appropriate, we may recommend that a client invest in Eitan Ventures ("EV"), a venture capital fund. We have a direct financial interest in EV and we receive a performance-based fee in return for our sub-advisory services to EV. All clients who become members in EV are "qualified clients" according to SEC Rule 205-3 and "accredited investors" according to Rule 501 of Regulation D under the Securities Act of 1933. In addition, we screen clients for the suitability and appropriateness of the EV investment. All prospective EV members are required to receive and review a detailed subscription agreement and operating agreement before investing which warns them of the substantial risks involved in the investment. In

addition, they sign the subscription agreement which attests to their "qualified" and "accredited investor" status. Also, we are a non-managing member of EV. Finally, we serve as the investment advisor to Ethan Herschenfeld (the Managing Member of EV) with respect to Mr. Herschenfeld's personal investments. All of these relationships, along with the fact that they may lead to conflicts of interest, are thoroughly disclosed in the subscription agreement and the operating agreement of EV.

James Berman, the Managing Member of the Advisor, potentially may recommend to clients (or to others) investment in securities or companies that are already held in EV. Since James Berman may have a potential conflict in recommending investment in securities or companies that are already held in EV, James Berman will disclose to clients his interest in such securities, given via his financial interests in EV.

James Berman and Ethan Herschenfeld are partners in a general partnership called 44 Partners, which is custodied at Scottrade Inc. and invests in equities and also holds short positions. This partnership does not currently accept any client assets (other than Mr. Herschenfeld's). All assets in the partnership are solely those of James Berman and Ethan Herschenfeld. When 44 Partners purchases equities that are also purchased by the JBGlobal Fund L.P. or by a client in a separate investment account, Mr. Berman makes sure such purchases are done without favoring 44 Partners at the expense of the JBGlobal Fund L.P. or any other client account. We do not charge any fees to 44 Partners. Neither James Berman nor Ethan Herschenfeld (or any related party) charges any fees to 44 Partners. The only fees charged are those by Scottrade for commissions, margin lending and securities lending.

Please see the full JBGLOBAL Compliance Manual for all compliance procedures, which is available upon request.

## Item 12 – Brokerage Practices

When you hire us as your advisor, we will require you to give us one-time written authorization to choose which securities (and the amounts of those securities) to buy and sell without getting your permission first. This is called "discretionary authority."

Any limits on this discretionary authority must be included in this written authorization. You may change these limits as needed. You must send these changes to us in writing.

We require you to use Charles Schwab & Company as broker and custodian for your assets. You consent to this choice in the contract you sign. Charles Schwab & Company charges very reasonable discount brokerage commission rates and transaction fees. Charles Schwab executes many (but not all) mutual fund and etf trades at no transaction fee. After thorough review, we believe these rates are a fair and competitive value. If we purchase a

### Comment [ACM11]: Instruction to Item 12.

A. Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with *client* securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create. **Note:** Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

a. Explain that when you use *client* brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your *clients'* interest in receiving most favorable execution.

c. If you may cause *clients* to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

d. Disclose whether you use soft dollar benefits to service all of your *clients'* accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate.

e. Describe the types of products and services you or any of your *related persons* acquired with *client* brokerage commissions (or markups or markdowns) within your last fiscal year.

**Note:** This description must be specific enough for your *clients* to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

f. Explain the procedures you used during your last fiscal year to *direct client* transactions to a particular broker-dealer in return for soft dollar benefits you received.

2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a *related person*

mutual fund with a transaction fee, we first make sure that there is not a similar or suitable no-transaction fee fund that could be purchased instead. On occasion, no-transaction fee funds have higher overall expense ratios. In those cases, we will usually choose the transaction fee share class in return for the greater savings over time by owning a lower expense ratio fund. Transaction fees, which are usually of relatively small dollar amounts are not to be confused with “loads” which are larger commissions paid on fund purchases. We do not purchase funds that actually require clients to pay loads. We do sometimes purchase “load” funds where the load has been waived.

We believe that Charles Schwab & Company provides best execution of all trades placed in client accounts. To evaluate best execution, we periodically review reports created by Rules 11Ac1-5 and 11Ac1-6. We periodically review best execution data for Charles Schwab & Company (including performance in price improvement, orders executed at or better than National Best Bid or Offer (NBBO), speed and how the order is executed in relation to the NBBO at the time the order is placed) and how their performance compares to industry averages for speed, price and liquidity in trade execution. Consolidating the bulk of our trades at one broker runs the risk that we may miss the opportunity to reduce costs or improve execution by putting trades through multiple brokers. However, we believe that Schwab's statistics are generally better than the industry average. We also believe that the cost savings and convenience of having one consolidated brokerage platform--with the wide selection of no-load mutual funds available through Schwab's platform--make Schwab the best choice for all of our client trades at the current time.

Given our requirement that clients use Charles Schwab & Company, our ability to achieve best execution may be partly or completely limited because we may not get trade executions of the nature, quality, speed or price that we might otherwise get if we were using another broker. We are not able to negotiate commission rates with Schwab or affect the price or quality of their execution services. Given the reasonable nature of Schwab's commission rates and the quality of Schwab's execution generally, however, we believe our use of Schwab is in our clients' best interests.

Our trade error policy is that we pay for any trade errors if the trade error would cost the client any material amount of money.

“Soft dollars,” are when advisors receive payments or services from a broker in exchange for directing clients to that broker at inflated commission costs. We do not have any “soft dollar” arrangements. We do not believe “soft dollars” are in the best interest of clients. Although Charles Schwab & Company provides access to research on its website (both proprietary and third-party) free of charge as a service to all advisors that use its platform, we don't believe we pay commission rates that are higher in exchange for such research. Given the cost of our average trades, we don't believe we substantially pay more for trades

(than we would anywhere else) if we would not receive such access to research. We do not receive any payment from Schwab or any other broker. In any case, research provided by Schwab is used to the benefit of all clients. We do not receive any payment (or in-kind services) for rent, salary, travel, or overhead from Schwab, any other broker, or from any third party other than clients.

### Item 13 – Review of Accounts

James Berman, the Managing Member of JBGLOBAL, conducts the investment review for all accounts. James Berman reviews the allocation and securities in client accounts regularly and makes adjustments on a periodic basis. Changes in economic, political or market circumstances may lead to adjustments in a client account. Changes in security prices (relative to intrinsic value) or changes in the client's individual circumstances are most likely to cause us to make adjustments in client accounts.

Charles Schwab & Company sends monthly statements to individual account clients. These statements show balances, all transactions and account activity. Additionally, James Berman sends a Quarterly Letter with market commentary to individual account clients. Clients in the JBGlobal Fund L.P. receive unaudited statements quarterly (accompanied by a Quarterly Review reflecting on the Fund's investments) and audited financials annually.

### Item 14 – Client Referrals and Other Compensation

We don't receive any commissions, compensation or economic benefit from non-clients in exchange for providing investment advisory services to clients.

We do not currently pay anyone for client referrals.

### Item 15 – Custody

Charles Schwab & Company holds all client assets in separate accounts. You will receive monthly statements from Schwab. We urge you to carefully review these statements and compare these official custodial records to the account statements or reports that we may send you. Our statements may vary from Schwab's custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### Comment [ACM12]: Instruction to Item 13.

A. Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *supervised persons* who conduct the review.

B. If you review *client* accounts on other than a periodic basis, describe the factors that trigger a review.

C. Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.

**Ascendant Comment:** Cross-reference your response about reports provided to clients with information about custody required in Item 15.

#### Comment [ACM13]: Instruction to Item 3.

A. If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

B. If you or a *related person* directly or indirectly compensates any *person* who is not your *supervised person* for *client* referrals, describe the arrangement and the compensation.

**Note:** If you compensate any *person* for *client* referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of *investment adviser representatives* apply.

#### Comment [ACM14]: Instruction to Item 15.

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

**Ascendant Comment:** According to our reading of Rule 206(4)-2 of the Investment Advisers Act, an adviser is only required to *urge* such a comparison between its statements and the qualified custodian's statements if an adviser has authority to open accounts on clients' behalfs (e.g., adviser has general power of attorney, acts as trustee, or other circumstances). However, this instruction imposes a broader disclosure obligation for Item 15. Remember that for these purposes SEC registered advisers are deemed to have custody based solely on the ability to debit advisory fees.

JBGlobal Fund L.P. assets are held in a separate account at Charles Schwab & Company. We generate Fund statement from Sungard's "Investier" fund accounting software platform and send Fund statements to Fund partners on a quarterly basis. Sungard, an independent firm, maintains the books of the Fund. The JBGlobal Fund L.P. is audited annually by Untracht Early L.L.C. ("Untracht"), a PCAOB registered firm (meaning that it is registered with the Public Company Accounting Oversight Board, a nonprofit corporation established by Congress to oversee audits in order to protect the interests of investors). Untracht sends the Fund's audited financial statements to partners by March 31 of each year. Though not subject to inspection by the PCAOB, Untracht holds itself to their standards. Please note that past performance is no guarantee of future results and that investing may result in loss of principal. For full Fund information, including a disclosure of risks of investment, see the complete set of Fund documents.

SEC registered advisers are deemed to have custody based solely on their ability to debit advisory fees. We debit fees directly from client accounts and, therefore, would be deemed to have "custody" on this basis under SEC rules. For separate accounts, the debits of our fees are reflected on the account statements you receive from Schwab.

#### Item 16 – Investment Discretion

When you hire us as your advisor, we will require you to give us one-time written authorization to choose which securities (and the amounts of those securities) to buy and sell without getting your permission first. This is called "discretionary authority." We will carry out our discretionary authority in line with your investment preferences, risk tolerance, time horizon and personal needs.

Any limits on this discretionary authority must be included in this written authorization. You may change these limits as needed. You must send these changes to us in writing.

**Comment [ACM15]:** [Instruction to Item 16.](#)  
If you accept *discretionary authority* to manage securities accounts on behalf of *clients*, disclose this fact and describe any limitations *clients* may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

#### Item 17 – Voting Client Securities

We don't receive proxies or have the authority to vote proxies for separate account holders, allowing them to receive and vote proxies themselves. We only receive and vote proxies for the JBGlobal Fund L.P. and our own accounts. We vote all Fund proxies in the best interests of our clients. Since we are independent investment advisors who do not manage corporate pension assets, we don't foresee major conflicts of interest. See our proxy voting procedures below:

**Comment [ACM16]:** [Instruction to Item 17.](#)  
A. If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.

PROCEDURES for PROXY VOTING in JBGLOBAL FUND L.P.

- 1) We vote proxies promptly and in the best interests of our clients.
- 2) We keep records of proxy votes in electronic form.
- 3) We keep any notes relating to proxy voting in electronic form.
- 4) We keep any written client requests for proxy voting information in electronic form.
- 5) We annually send instructions to clients for getting information on proxy votes, policies and procedures.
- 6) James Berman is the person who votes all proxies.

**Item 18 – Financial Information**

We are required to provide you with certain financial information or disclosures about our financial condition that would impair our ability to operate. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of any bankruptcy proceeding.

**Comment [ACM17]: Instruction to Item 18.**

A.If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.

1.The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

2.Show parenthetically the market or fair value of securities included at cost.

3.Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.

**Note:** If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.

**Note:** If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your *brochure*.

**Exception:** You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.

B.If you have *discretionary authority or custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.

**Note:** With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the *state securities authorities*, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per *client*, six months or more in advance.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.