

J.P. JEANNERET ASSOCIATES

Registered Investment Advisers

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This brochure provides information about the qualifications and business practices of J.P. Jeanneret Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (315) 478-2770 or at general@jpiassoc.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.

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### Advisory Business

J.P. Jeanneret Associates, Inc. (JPJA) provides advisory services predominantly to Taft Hartley Employee Benefit Funds. We specialize in investment consulting services, fixed income investment management services, and alternative managers, and fund-of-funds operation. We do not participate in any type of wrap fee program. JPJA currently has \$98,500,000 assets under management effective December 31, 2011.

### Fees and Compensation

Compensation for the investment management services are typically based upon a percentage of assets under management as stated in a Schedule of Fees in the Discretionary Investment Management Agreement with the client. The written Investment Management Agreements specifically address billing and termination matters. Should a client terminate their agreement prior to the end of a billing period, a pro-rated fee only would be charged to the client.

Clients can also request Agreements for investment advisory services to be billed on a fixed-fee or hourly basis. For these accounts, an annual fee would be agreed upon and would be invoiced and collected on a quarterly basis, in arrears.

In the case of the Income-Plus Fund, management fees are deducted directly from Fund assets, and clients are not billed directly. No expenses are charged by JPJA for custodial fees or mutual fund expenses. If applicable, clients will incur brokerage and transactions costs as a normal procedure in conducting client transactions. No one at J.P. Jeanneret Associates or any supervised person accepts compensation for the sale of securities or other investment products. We do not have any brokerage subsidiary, nor do we earn any fees or commissions from brokerage transactions of any kind. We currently charge no performance-based fees, and our clients consist predominantly of Taft-Hartley type Employee Benefit Plans of various kinds, covered by ERISA.

No client fees are payable in advance of services being performed.

### Methods of Analysis, Investment Strategies and Risk of Loss

Regarding our methods of analysis, investment strategies, and risk of loss, the firm uses various methods, including access to publicly available data services, the Value Line Investment Service, the Zacks Investment Services, Morningstar Investment Services, data provided by PerTrac, and data involving performance and other characteristics of alternative investment managers of all types. Clients are aware of the risks of loss in all investments that are undertaken. Currently, involving the Income-Plus Investment Fund, the firm invests predominantly in shorter term fixed income investments, including Federal Agency securities, short-term Corporate Bonds, Floating Rate Securities of various types, Certificates of Deposit, Stable Value Funds, and related fixed income-oriented positions.

### Disciplinary Information

Pending litigation cases involving JPJA are set forth below:

1. *Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities, LLC v. Beacon Associates LLC I, et al.*, Adv. Pro. No. 10-053569 (BRL), United States Bankruptcy Court, Southern District of New York.
2. *In Re J.P. Jeanneret Associates, Inc., et al.*, Master File No. 09 Civ 3907, United States District Court, Southern District of New York, and cases consolidated into this matter..
3. *In Re Beacon Associates Litigation*, Civil Action Master File No. 09 Civ 777, United States District Court, Southern District of New York, and the following cases consolidated into this matter for discovery and pre-trial purposes: *Local 73 Annuity Fund v. J.P. Jeanneret Associates, Inc., et al.*, Civil Action No. 09 Civ 3907; *Plumbers & Steamfitters Local 267 Pension Fund, et al. v. J.P. Jeanneret Associates, Inc., et al.*, Civil Action No. 09 Civ 7584; *Board of Trustees of the Buffalo Laborers Security Fund, et al. v. J.P. Jeanneret Associates, Inc., et al.*, Civil Action No. 09 CV 8362; *Ernest T. Hartman, et al. v. Ivy Asset Management L.L.C., et al.*, Civil Action No. 09 Civ 8278; and *Hilda L. Solis, Secretary of the United States Department of Labor v. Beacon Associates Management Corp., et al.*, Civil Action No. 10 Civ. 8000.
4. *J.P. Jeanneret, Inc., et al. v. Hartford Fire Ins. Co., et al.*, Civil Action Nos. 5:10-cv-01450-GTS-GHL, 5:10-cv-01452-GTS-GHL, and 5:10-cv-01453-GTS-GHL United States District Court, Northern District of New York
5. *J.P. Jeanneret, Inc. v. Mantello, et al.*, Civil Action No. 5:09-cv-1280, United States District Court, Northern District of New York (DAHIDEP)

### Other Financial Industry Activities and Affiliations

J.P. Jeanneret Associates is not registered as a broker-dealer, and has no plan to be a broker-dealer at any time in the future. We have no known conflicts with any individuals, related persons, or any other entities material to the advisory business. We receive no compensation from any broker-dealers, investment managers, or other entities, other than clients of the firm.

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

J.P. Jeanneret Associates has adopted a Code of Ethics pursuant to SEC Rule 204A-1. We will provide a copy of the Code of Ethics to any client or prospective client upon request. This Code of Ethics provides that we shall engage in no activity that is contrary to the client's best interest, and we must act solely for the benefit of participants and beneficiaries in any entities for which we serve as Investment Manager. We never recommend securities in which Jeanneret Associates or a related person has any material financial interest, and we monitor activities of individuals in the firm to assure compliance. Members of the firm do not buy or sell securities at the same time as clients, and there is no material conflict of interest with respect to this type of situation.

### Brokerage Practices

Jeanneret Associates is free to select brokers to undertake transactions for clients. We survey various sources for the best available price on securities, and we negotiate the lowest possible commissions, considering the services that are provided by the brokerage entity. We have no soft dollar arrangements, and we do not receive any payments from brokerage firms for any services that they provide. We also do not receive any direct research from brokerage firms that we utilize, except in rare instances, and there are no soft dollar or other payments for such research. We do not direct brokerage to any particular broker-dealer based upon client referrals. We routinely do not recommend, request, or require that any client direct brokerage to any particular broker-dealer. Rather, the selection of broker-dealers to be utilized by *IP1A* is solely the obligation of our firm. No client has ever requested the ability to direct brokerage to a particular broker-dealer.

### Review of Accounts

Jeanneret Associates reviews client accounts on a weekly basis. We typically send out quarterly statements to clients for investment performance reporting, and John P. Jeanneret, Ph.D., and Paul L. Perry typically review client reports before they are sent.

### Client Referrals and Other Compensation

Regarding client referrals and other compensation, there are no instances in which someone who is not a client provides any economic benefit to JPJA for providing investment advice or other advisory services to our clients. There are also no instances where JPJA or a related person, directly or indirectly, compensates any person who is not a supervised person for client referrals.

### Custody

Regarding custody of client funds or securities, *IP1A* never has custody of client assets in any case. Rather, we utilize IPMorgan Chase as Trustee for the Income-Plus Investment Fund, as well as some broker-dealers as Qualified Custodians.

### Investment Discretion

We accept discretionary authority to manage securities on behalf of clients, and we accept any limitations that clients may place upon such authority, in the Investment Guidelines that are provided to us, and mutually agreed upon between the client and IP1A.

### Voting Client Securities

Regarding voting of client securities, JPJA currently does not invest in equity securities for any clients, and we have no plans to do so in the foreseeable future. In the event that equity securities were purchased, we would vote proxies in the best interest of participants and beneficiaries in any Employee Benefit Plan for which we served as Investment Adviser.. Clients may obtain a copy of our proxy voting policies and procedures upon request, which is contained in the Investment Adviser Compliance Policy Manual, as described previously in this filing.

### Financial Information

Regarding prepayment of any fees by investment clients six months or more in advance, as noted earlier, there are no cases in which clients are required to pre-pay any investment management or other fees.