



JACKSON, GRANT INVESTMENT ADVISERS, INC.

2 High Ridge Park, Stamford, CT 06905

203.322.1198

www.jacksongrant.us

info@jacksongrant.us

Brochure (Form ADV Part 2A)

January 5, 2015

This Brochure provides information about the qualifications and business practices of Jackson, Grant Investment Advisers, Inc. If you have any questions about the contents of this Brochure, please contact us at: 203.322.1198, or by email at info@jacksongrant.us. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or by any state securities authority. Additional information about Jackson, Grant Investment Advisers, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

SPECIAL NOTE:

**This Brochure provides responses to
Items 1 through 18 of Form ADV Part 2A
as required by SEC rules
adopted for use by registered investment advisers beginning in 2011.**

CONTENTS

Item 1: Cover Page	3
Item 2: Material Changes	3
Item 3: Table of Contents	3
Item 4: Advisory Business	3
Item 5: Fees and Compensation	5
Item 6: Performance Based Fees	7
Item 7: Types of Clients	7
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9: Disciplinary Information	9
Item 10: Other Financial Industry Activities and Affiliations	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Item 12: Brokerage Practices	10
Item 13: Review of Accounts	12
Item 14: Client Referrals and Other Compensation	12
Item 15: Custody	12
Item 16: Investment Discretion	12
Item 17: Voting Client Securities	13
Item 18: Financial Information	13
Business Continuity Plan	13
Privacy Notice	14

ITEM 1: COVER PAGE

As required by Item 1 of Part 2A of Form ADV, the cover page of this Brochure provides the name of our firm (Jackson, Grant Investment Advisers, Inc.), and the firm's address, contact information, website, and the date of this Brochure.

ITEM 2: MATERIAL CHANGES

When we update this Brochure in the future, we will summarize material changes as required by Item 2.¹

ITEM 3: TABLE OF CONTENTS

A table of contents to this Brochure appears after the cover page.

ITEM 4: ADVISORY BUSINESS

Item 4A. Firm and Owners. Jackson, Grant Investment Advisers, Inc., registered with the SEC as an investment adviser under the Investment Advisers Act of 1940 (the Act), serves as *investment counsel*² to individuals, families, trustees, and other fiduciaries.

J. Julie Jason, who cofounded the firm in 1992, is the sole shareholder of Jackson, Grant and its chief investment officer. Her background is provided in the "Brochure Supplement" (Form ADV Part 2B).

Item 4B. Types of Advisory Services. As your investment counsel, we work with you to identify investment objectives and risk/reward parameters appropriate for your particular situation. Based on those objectives and risk/reward constraints, we create and manage a portfolio designed for you using our discretion as to the securities that we buy, sell, and hold in your portfolio. These services are "supervisory" in nature (see footnote 2); your "Supervisory Agreement" with the firm sets out the details of the engagement.

After we accept responsibility for managing your portfolio, your brokerage accounts transfer to an independent New York Stock Exchange member firm described in Item 12 (the "Custodian") that holds your assets and clears the trades we enter on your behalf. The Custodian provides our clients with trade confirmations, brokerage statements, and tax reports. For more information about the Custodian, see Items 5C, 12, 13C, 15, and the Business Continuity Plan.

¹ Form ADV 2A instruction 6 requires the placement of Item 2 responses to be on the cover page or immediately following the cover page (or in a separate document).

² Investment counsel provide "investment supervisory services" as their principal business activity. Section 202(a)(13) of the Investment Advisers Act of 1940 (the Act) defines investment supervisory services as "the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client."

Under section 208(c) of the Act, "it is unlawful for any person registered under section 203 of this title to represent that he is an investment counsel or to use the name "investment counsel" as descriptive of his business unless (1) his or its principal business consists of acting as investment adviser, and (2) a substantial part of his or its business consists of rendering investment supervisory services."

We also provide investment consulting services, such as pre-retirement planning, selection of administrative trustees, creation of investment policy statements, reviews of investment options for 401(k) plans, IRA distribution planning, and the like. The specific services are described in a "Consulting Agreement" that defines the consulting arrangement. We do not provide buy, sell, and hold recommendations to consulting clients. While we do not offer legal or tax services, we do help our clients address tax, estate planning, and insurance issues by coordinating with their attorneys, accountants, and other advisers.

We accept responsibility to serve you in a *fiduciary* capacity, which is based on a duty of loyalty to you as a client. In practical terms, that means that we act in your favor if we encounter a "conflict of interest" in our business dealings with you. *As you read ahead, watch for references to conflicts. As you will notice from our disclosures, we set up Jackson, Grant with a view to avoiding potential conflicts between our clients and ourselves.*

Non-fiduciaries, such as registered representatives of brokerage firms, insurance agents, or financial planners who are not registered investment advisers, are held to a lesser standard that is focused on the sale of a security, financial product, insurance policy, or investment service such as a "separately managed account" (see Item 4D).³ They are not required to provide you with a written disclosure document (such as this Brochure) describing their business practices, disciplinary history, and conflicts of interest.⁴

Item 4C. Services are Tailored to Client Needs. In contrast to registered investment advisers who offer participation in their pooled accounts, we tailor portfolios to each client's needs, risk tolerance, and investment objectives.

In special circumstances, we will accommodate requests to impose restrictions on investing in certain securities or types of securities if agreed to in our Supervisory Agreement. For example, we will accommodate a client who does not want to buy tobacco stocks.

Item 4D. Wrap Programs. *Item 4D requires disclosure of practices in which we do not engage.* This Item requires registered investment advisers who provide wrap programs to disclose related conflicts of interest.

Under wrap (and separately managed account) programs, registered investment advisers use intermediaries to sell their portfolio management services to individuals who fail to meet the adviser's minimum requirements. (Our minimum is set out in Item 7.)

³ SEC's January 2011 "Study on Investment Advisers and Broker-Dealers" concluded: "[R]etail customers do not understand and are confused by the roles played by investment advisers and broker-dealers, and more importantly, the standards of care applicable to investment advisers and broker-dealers when providing personalized investment advice and recommendations about securities. This lack of understanding is compounded by the fact that retail customers may not necessarily have the sophistication, information, or access needed to represent themselves effectively in today's market and to pursue their financial goals."

⁴ In part because of confusion on the part of the public as to the different services and standards, the SEC's January 2011 "Study on Investment Advisers and Broker-Dealers" recommended that the law be changed to hold brokers to the higher fiduciary standard. (www.sec.gov/news/studies/2011/913studyfinal.pdf.)

The intermediaries are generally (a) other registered investment advisers who do not manage portfolios themselves, or (b) registered representatives of broker-dealers. In such cases, the intermediary wears three hats: he functions as "third-party solicitor" for the portfolio manager, an "asset gatherer" for the firm that employs him, and a "relationship manager" for the client.

Under such programs, fees paid by the client go to both the portfolio manager (typically a smaller share, such as 0.5 percent per year) and the intermediary (typically the larger share, such as 1.0 percent per year). There may or may not be additional fees or commissions for trade execution, depending on the arrangement. *We do not sell our services through wrap (or separately managed account) programs.*

Item 4E. Assets Managed on a Discretionary Basis. As of December 31, 2014, we managed approximately \$200 million of client assets, all on a discretionary basis. See Item 16 for more information on "discretion."

ITEM 5: FEES AND COMPENSATION

Item 5A. Compensation for Services. If you engage us for consulting services, fees are charged on an hourly basis at the rates set out in your Consulting Agreement and for supervisory services based on assets, as more fully described below. In either case, our fees are tax deductible to the extent permitted by law.

You compensate us for supervisory services by paying us a fee based on the value of your portfolio each calendar-quarter-end ("Supervisory Fee"). The rate is lower at higher asset levels, as set out in your Supervisory Agreement. We do not negotiate rates. We reserve the right to reduce rates in our sole discretion (example: family members of employees).

Sample rates at various asset levels are illustrated in the table that follows. The table shows annual rates; quarterly rates are 1/4 of those shown.

Sample Annual Rates for New Clients	
\$2 million = 0.95%	\$10 million = 0.66%
\$3 million = 0.87%	\$12 million = 0.60%
\$4 million = 0.82%	\$14 million = 0.57%
\$5 million = 0.78%	\$19 million = 0.50%

Other financial service providers may be paid undisclosed commissions/fees. *We do not receive any undisclosed commissions, fees, or payments, direct or indirect, from anyone in connection with a client.*

Item 5B. Fees are Deducted. Supervisory Fees are deducted from your Supervisory Accounts each quarter.

Item 5C. Other Costs and Fees. You will incur the cost of trade executions, and other incidental fees that are charged by the Custodian of your accounts. Costs are not significant; for example, an equity trade is generally \$9 a ticket. We do not benefit, directly or indirectly, from any payments made to the Custodian.

Some investments have internal fees associated with them. An example is a mutual fund that charges management and other internal fees. If you own mutual funds you will pay two management fees, one to the mutual fund manager for implementing the fund's investment objectives, and another to us for implementing your investment objectives.

We do not benefit, directly or indirectly, from any internal fees associated with any investment products. Taken together, our clients' total costs when accounting for all fees and costs (the Supervisory Fees described in Item 5A and other costs described in this Item 5C) are less than average internal fees⁵ associated with mutual funds.

Item 5D. Advance Payment. Supervisory Fees are payable quarterly in arrears (after services are rendered) unless your Supervisory Agreement provides for prepayment of fees. If you prepay Supervisory Fees and terminate your relationship with us before the end of the billing period, we refund prepaid fees that are unearned based on a daily factor calculation.

Item 5E. Compensation for Sale of Securities. *Item 5E requires disclosure of practices in which we do not engage.* This Item requires registered investment advisers (and any of their "supervised persons"⁶) who receive compensation for the sale of securities or investment products (including asset-based sales charges or service fees for the sale of mutual funds) to explain that this practice presents a conflict of interest, giving the adviser or the adviser's supervised persons "an incentive to recommend investment products based on the compensation received, rather than on the client's needs."⁷

The investment adviser must address the conflicts that arise and provide the adviser's procedures for disclosing the conflicts to clients, along with the specific additional disclosures required of subparagraphs 1 through 4 of Item 5E.⁸ *We do not receive any compensation for the sale of*

⁵ Internal fee averages (total operating expenses) reported by Morningstar for managed funds in its Principia database.

⁶ "Supervised person" means: "Any of [the registered investment adviser's] officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on [the adviser's] behalf and is subject to [the adviser's] supervision or control." Glossary to Form ADV.

⁷ Form ADV Part 2A instructions to Item 5E.

⁸ Item 5E provides: "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 5E1, 5E2, 5E3 and 5E4.

Item 5E1. 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.

securities, directly or indirectly, and thus we have no conflicts of interest to disclose pursuant to Item 5E.

ITEM 6: PERFORMANCE BASED FEES

Performance Fees. *Item 6 requires disclosure of practices in which we do not engage.* Item 6 requires registered investment advisers to disclose if they (or a supervised person⁹) accept performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client). If they do, they have an incentive to favor performance-based fee accounts over others and must explain how they address that conflict of interest. *We do not charge performance-based fees and thus have no conflicts to address in response to this Item 6.*

ITEM 7: TYPES OF CLIENTS

Types of Clients. We serve individuals, families, and fiduciaries, such as trustees of trusts. Clients come from a variety of backgrounds and personal circumstances. However, our primary focus is to help people manage their finances as they navigate through major life transitions (and beyond), such as retirement, divorce, widowhood, the illness of a spouse, the receipt of an inheritance, or the sale of a business or a home. Our minimum is \$2 million.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8A. Methods of Analysis and Strategy. Investing in securities involves risk of loss that clients should be prepared to bear. Portfolio composition takes into account your investment objectives, financial situation, and risk tolerance, as well as assumptions for loss of purchasing power due to inflation and certain tax consequences, although we do not provide tax advice.

Generally speaking, we use growth vehicles for accumulation. Equity positions are usually established over a period of time depending on the relative level of the market. Intermediate government and corporate bonds are the fixed income vehicles of choice unless relative values determine that longer-term or shorter-term fixed income investments might provide greater value in terms of real return after taxes and inflation. Higher yielding, lower grade bonds or funds may also be used when appropriate considering the investment objectives and risk profile of the client.

Holdings may be individual issues or pooled investment vehicles. Individual fixed income and equity issues, including exchange-listed and over-the-counter securities and ETFs (exchange traded

Item 5E2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Item 5E3. If more than 50 percent 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.

Item 5E4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups."

⁹"Supervised person" is defined in the footnote to Item 5E, above.

funds) may be utilized as well as mutual funds and closed-end investment companies, variable annuities and insurance products, unit trusts, bank certificates of deposit, as appropriate for the particular portfolio. It would not be unusual to maintain cash equivalents, such as money market funds or Treasury Bills, in a portfolio for diversification, liquidity, opportunistic, and defensive purposes.

In the development of our strategies, we may use fundamental and technical analysis methods and may look to outside sources of information, such as annual reports, prospectuses, and other filings with the SEC, financial and other journals, rating services, and independent research reports and publications, such as Standard & Poor's. Investment strategies may include long and short-term purchases. We do not utilize market timing, short-term trading, short sales, margin, option writing, hedging or tax strategies; however, in appropriate cases, we may use inverse and enhanced strategies as described in Item 8C.

Item 8B. Investment Risk. All investments carry risk by definition; without risk, there is no investment. While you'll find detailed disclosure in relevant prospectuses, here are some general risks that you need to be aware of.

Objective Risk: Your investment objectives may not be met.

Excessive Withdrawals: When a portfolio is structured to produce income, there is a risk that you will not meet your long-term objectives if your withdrawals are higher than the income produced.

Event Risk: The global financial crisis of 2008 was caused by a series of events that infected the world-wide banking system. Such events are rare, but nonetheless, do occur. While events that cause contagion cannot be escaped, their deleterious effects can be lessened by having a long-term view and avoiding speculative bets on the direction of the market.

Market Risk: The stock market, as measured by the S&P 500 Index, will rise and fall in reaction to supply and demand, generally based on the underlying financial health of the securities represented by the Index. However, investor demand or lack of it can also be triggered by external events, such as economic and geo-political news.

Economic Risk: As the economy ebbs and flows, some investments that are more sensitive to economic movements may suffer greater declines in periods of economic slowdown.

Inflation Risk: When prices rise due to inflation, purchasing power erodes.

Industry Risk: Securities representing a particular industry may present similarities in price action, rising and falling together. News that affects a single company may affect all companies in the same industry. For example, when BP spilled oil off the coast of Louisiana in 2010, stocks of other oil companies also declined.

Illiquidity: Some investments have no market (the stock of a privately held company) or a limited market or restrictions on when they can be liquidated.

Leverage: Purchasing stocks on margin increases the likelihood of gains when successful trades are made as well as the likelihood of losses when unsuccessful trades are made. We do not use margin accounts. However, we may use securities in your portfolio that have leverage built into them, such as

some closed-end funds, and ETFs, as well as mutual funds that use enhancement techniques. If we use such holdings in your portfolio, we generally limit them in size (portfolio weighting), thus limiting the potential overall gains and losses.

Default Risk: Higher yielding, lower grade bonds have a higher risk of principal and interest default and higher volatility than higher grade, lower yielding bonds.

Political Risk: Foreign and emerging market investments may pose a higher risk of loss due to political developments.

Currency Risk: Investments in foreign countries and currencies fluctuate based on the currency exchange rate.

Reinvestment Risk: When a bond is held to maturity or is called away, there is a risk that you will not be able to replace the bond's interest payments at the same rate.

Item 8C. Inverse and Enhanced Market Strategies. In appropriate cases justified by risk/reward considerations and time horizon, we may utilize leveraged securities that are designed to perform in either: (1) an inverse relationship to certain market indices (at a rate of 1 or more times the inverse or opposite result of the corresponding index) as an investment strategy or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 2 or more times the actual result of the corresponding index) as an investment strategy or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful.

ITEM 9: DISCIPLINARY INFORMATION

We have nothing to report under this Item, which requires registered investment advisers to disclose legal and disciplinary events that are material to a client's or prospective client's evaluation of the adviser's business or integrity of management. Disclosure is required for criminal and civil actions, administrative proceedings before the SEC and other regulatory bodies, and self-regulatory proceedings.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10A. Broker-Dealers. We are not registered as broker-dealers and do not retain personnel who function as registered representatives of broker-dealers.

Item 10B. Futures. We are not futures commission merchants or commodity pool operators.

Item 10C. Related Parties. *We have nothing to report under this Item,* which requires registered investment advisers to disclose conflicts of interest that arise out of relationships or arrangements with the following related persons if they are material to the adviser's business or clients:

1. Broker/dealers, etc.
2. Investment companies, etc.
3. Other investment advisers or financial planners

4. Futures commission merchants, etc.
5. Banking or thrift institutions
6. Accountants or accounting firms
7. Lawyers or law firms
8. Insurance companies or agencies
9. Pension consultants
10. Real estate brokers or dealers
11. Sponsors or syndicators of limited partnerships

Item 10D. Selecting Advisers. *Item 10D requires disclosure of practices in which we do not engage.* Item 10D requires registered investment advisers to disclose conflicts of interest when an adviser recommends or selects other investment advisers for clients. *We do not engage in such practices and thus have no conflicts to report pursuant to this Item.*

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11A. Code of Ethics. Our Code of Ethics¹⁰ serves to establish a standard of business conduct for all of our employees based upon fundamental principles of openness, integrity, honesty, and trust. Please let us know if you would like a copy.

Item 11B. Participation or Interest in Client Transactions. *Item 11B requires disclosure of practices in which we do not engage.* Item 11B requires registered investment advisers who have a material financial interest in any securities that they might buy for your portfolio to report that they are incented to buy those securities. They must disclose how they would address that conflict of interest. For example, conflicts would arise when an adviser recommends that clients invest in pooled investments that the firm advises.¹¹ Again, we do not engage in such practices.

Item 11C. Personal Trading: Securities Purchases for the Firm. Jackson, Grant and its employees are not prohibited from purchasing the same securities that the firm may purchase for client portfolios. Such trades would not be significant enough in size to impact market prices.

Item 11D. Personal Trading: Timing of Securities Purchases for the Firm. Firm and employee trades are not placed ahead of client trades.¹²

ITEM 12: BROKERAGE PRACTICES

Item 12A. Choice of Broker/Dealer for Client Transactions. We review broker-dealers from time to time to determine whom to use for trade execution and custody of our clients' accounts. We look for institutional soundness, length of time in the business, execution capability, low costs, security,

¹⁰ Registered investment advisers are required to adopt a written code of ethics under section 204A-1 under the Investment Advisers Act (the "Act").

¹¹ SEC Release IA-3060 Amendments to Form ADV Final Rule, July 28, 2010, page 30 ("Adopting Release").

¹² Item 11 B, C, and D disclosure is not applicable to securities that are not "reportable securities" under rule 204A-1(e)(1) of the Act, such as shares of unaffiliated mutual funds. Adopting Release page 32.

reputation, and ability to handle institutional accounts such as ours. *It is in our interest to negotiate the lowest costs possible for the best quality executions and services.*

Currently, Pershing LLC serves as the independent custodian ("Custodian") of our clients' assets. Pershing LLC, a member of the New York Stock Exchange, provides clearing services for your accounts, which are introduced through Pershing Advisor Solutions LLC (PAS). PAS, a subsidiary of Bank of New York Mellon, a registered broker-dealer and member of FINRA and SIPC, is located at One Pershing Plaza, 95 Christopher Columbus Drive, Jersey City, New Jersey 07399.

Our firm is not affiliated with Pershing, PAS, or the Bank of New York Mellon.

As discussed in Item 13C, the Custodian provides clients with transaction statements (confirmations), brokerage statements, and tax reports.

Item 12A1. Research and Soft Dollars. It is customary practice for custodians serving institutions such as ours to offer them trading software and online access to the accounts of clients housed with them as custodian, as well as other services to help investment advisers better serve their clients, stay in compliance with the laws, or expand their businesses.

For example, we may be offered third-party research, such as Standard & Poor's, market data, trade execution platforms, educational programs, conferences and publications, consulting services and other educational or social events, marketing support, computer hardware or software or other products to be used in furtherance of our investment advisory business operations or to develop our business enterprise. These and other products and services may be offered gratis or at a discount.

Some registered investment advisers may agree to invest a specific amount or percentage of client assets in any specific securities or investment products in return for products or services or incentives such as client referrals (see Item 12A2). *We do not make any such commitments; our clients do not pay more for executions if we avail ourselves of any of these custodial offerings.*

Item 12A2. Brokerage for Client Referrals. *Item 12A2 requires disclosure of practices in which we do not engage.* Item 12A2 requires those registered investment advisers who choose custodians based on an incentive, such as client referrals, to disclose how they handle that conflict of interest. *We do not receive incentives such as client referrals, nor do we choose custodians based on incentives.*

Item 12A3. Directed Brokerage. As explained in Item 12A, the Custodian executes brokerage transactions in your accounts. If you were to direct us to use someone other than the Custodian, generally, you could expect execution costs to be higher.

Item 12B. Aggregation of Orders. If we buy or sell the same securities for a number of accounts at the same time, we may aggregate orders for multiple client accounts. If trades are executed at different prices, trades receive the average price paid for the aggregated purchases or sales. *Employee trades and firm trades are not normally aggregated with client trades.*

ITEM 13: REVIEW OF ACCOUNTS

Item 13A. Reviews. We continuously monitor your accounts to ensure that holdings are appropriate considering your investment objectives, time horizon, and risk/reward parameters. Our staff reviews trades and positions daily and portfolios weekly, or more frequently as warranted by their composition and objectives, all under the supervision of the chief investment officer.

Item 13B. Review Triggers. We conduct more frequent reviews in disruptive market conditions or if leveraged positions, such as leveraged ETFs, are used in your portfolio.

Item 13C. Reports. Your Custodian provides transaction reports (confirmations of trades) and monthly brokerage statements directly to you, as well as year-end tax reports. We present you with a written portfolio review periodically, normally after each quarter end. There may be a charge for more frequent or customized reports or reports for multiple or special accounts such as trusts with targeted objectives, all as set out in your Supervisory Agreement.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Item 14A. Client Referrals. *Item 14A requires disclosure of practices in which we do not engage.* Item 14A requires registered investment advisers who engage in client referral arrangements to disclose the conflicts of interest arising from: a) receiving an economic benefit from a non-client for providing investment advice to a client, or b) compensating people to refer clients to them.

We do not engage in such practices, as we are fortunate to receive prospective client referrals from current clients as well as attorneys and accountants and others who are familiar with our services.

Item 14B. Compensating for Referrals. *Item 14B requires disclosure of practices in which we do not engage.* If we were to compensate any person who is not a supervised person¹³ for referrals we would be required to disclose such arrangements. *We do not compensate for referrals.*

ITEM 15: CUSTODY

Custody of Client Assets. Registered investment advisers who themselves hold the assets of their clients ("custody") must address the increased potential risk of such an arrangement.

We do not custody client assets; an independent custodian does, as explained in Item 12.

ITEM 16: INVESTMENT DISCRETION

Discretion. Your Supervisory Agreement provides that you authorize us to use our discretion in making buy, sell, and hold decisions on your behalf in furtherance of your investment objectives. There are no restrictions on this authority.

¹³ Supervised person is defined in footnote 6, above.

ITEM 17: VOTING CLIENT SECURITIES

Voting Proxies. We do not accept authority to vote client securities, and thus have no conflict of interest to disclose relating to how we might vote proxies. If you wish to receive your proxies or other solicitations directly from the transfer agent, we can arrange that for you.

ITEM 18: FINANCIAL INFORMATION

Financial Information. Item 18A requires financial disclosure for registered investment advisers who require clients to prepay fees six months or more in advance. We do not have such a requirement.

In response to Item 18B, we are aware of no financial conditions that are reasonably likely to impair our ability to meet contractual commitments to clients.

Item 18C requires disclosure of bankruptcies; there have been none.

* * *

BUSINESS CONTINUITY PLAN

While clients always have direct access to their accounts through the Custodian, you should know that we have a Business Continuity Plan in place.

The plan addresses actions we will take should we experience a significant business disruption due to a natural or man-made disaster or loss of key personnel.

Should such an event occur, we will be in touch with you promptly to advise you of the courses of action that we are taking to assure the continuation of service.

* * *

PRIVACY NOTICE

This privacy notice is provided to you in compliance Regulation S-P adopted by the Securities and Exchange Commission on November 13, 2000 under section 504 of the Gramm-Leach-Bliley Act. Under the Act, financial institutions such as Jackson, Grant Investment Advisers, Inc. provide their clients with a notice of privacy policies and practices, and must not disclose nonpublic personal information about a consumer to nonaffiliated third parties unless the institution provides certain information to the consumer and the consumer has not elected to opt out of the disclosure.

Jackson, Grant's policies are as follows:

1. Information collected

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms or through other financial institutions or advisers you request us to contact on your behalf;
- Information about your transactions with us, our affiliates, or other financial institutions or advisers; and
- Information we may receive from a consumer reporting agency.

2. Information disclosed

We do not disclose any nonpublic personal information about our clients or former clients to anyone unless requested to do so by the client or as required by law.

3. Confidentiality and security

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

If you have any questions about these policies, please contact the firm at 203.322.1198.

* * *