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### Brochure (Form ADV Part 2A)

**February 14, 2024**

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@jacksongrantus.com](mailto:info@jacksongrantus.com). 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](http://www.adviserinfo.sec.gov).

#### 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. At the end of this document, you'll also find the firm's Code of Ethics, Business Continuity Plan and Privacy Notice.

REF: 2024 2 14 ADV

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## 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.<sup>1</sup>

## 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. was incorporated in 1992, is registered with the SEC under the Investment Advisers Act of 1940 (the "Act"),<sup>2</sup> and functions as "investment counsel."<sup>3</sup> The firm is independently owned by the firm's founder and sole shareholder, Julie Jason, JD, LL.M.<sup>4</sup>

The firm serves as a fiduciary to provide investment counsel services to a select high-net-worth clientele. Through more than a quarter century of good markets and bad, the firm's mission has been twofold: first, to meet our high-net-worth clients' lifetime wealth and legacy goals over long investment horizons; and second, to promote financial literacy through educational initiatives. Taken together, this twofold mission directs our efforts to enhance the lives of clients and their families.

The firm is guided by three principles: 1) live each day with **INTEGRITY**, grounded on honor, transparency, dedication, and loyalty to clients and to each other; 2) continuously build **SKILLS** to attain mastery, and 3) consistently seek dependable **RESULTS**.

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<sup>1</sup> 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).

<sup>2</sup> Section 203 of the Act.

<sup>3</sup> Note that the use of the title "investment counsel" is restricted by law to those advisers whose "principal business consists of acting as investment adviser, and (2) a substantial part of his or its business consists of rendering investment supervisory services." Section 208(c) of the Act. Investment supervisory services are defined as "the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client." Section 202(a)(13) of the Act.

<sup>4</sup> Ms. Jason's background is provided in the "Brochure Supplement" (Form ADV Part 2B).

**Item 4B. Types of Advisory Services.** The firm offers both personal portfolio management services (defined as “Supervisory Services” under the Act<sup>5</sup>) and consulting services.

**Supervisory 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.<sup>6</sup> While we do not offer legal or tax services, we do help our clients address tax, estate planning, and insurance issues by coordinating with attorneys, accountants, and other advisers.

After we accept responsibility for managing your portfolio, we will assist you with paperwork to open a brokerage account with a broker-dealer or custodian 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.

**Consulting Services.** We 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, integrating estate planning and wealth management, 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.

**Fiduciary Standard.** We serve you in a *fiduciary* capacity, the standard that applies to registered investment advisers under the Act. The duty extends to the “entire advisory relationship.”<sup>7</sup>

**Avoiding Practices That Trigger Conflicts of Interest: Alignment of Interests with Clients.** The SEC requires the disclosure of practices in Items 4, 5, 6, 10, 11, 12, 14, 15 and 17 of this Brochure<sup>8</sup> that can create a financial incentive for a firm to act in a way that is not in alignment with a client’s interests. By design, we do not engage in the practices described in those Items precisely because of the

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<sup>5</sup> Investment supervisory services are defined as “the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client.” Section 202(a)(13) of the Act.

<sup>6</sup> Your “Supervisory Agreement” with the firm sets out the details of the engagement. See also Item 4C.

<sup>7</sup> SEC v. Capital Gains Research Bureau, Inc., 375 US 180, 191-192 (1963). See, Commission Interpretation Regarding Standard of Conduct for Investment Advisers, Investment Advisers Act Release No. 5248 (June 5, 2019); Regulation Best Interest: The Broker-Dealer Standard of Conduct, Exchange Act Release No. 86031 (June 5, 2019). See also, SEC Staff Bulletin: Standards of Conduct for Broker-Dealers and Investment Advisers Conflicts of Interest at <https://www.sec.gov/tm/iabd-staff-bulletin-conflicts-interest>.

<sup>8</sup> Form CRS also addresses conflicts. Beginning in June 2020, both brokers and investment advisers are required to provide retail clients with a 2-page Form CRS (Client Relationship Summary) that highlights business practices, standards of care, disciplinary history, and conflicts of interest. Dual registrants are limited to a 4-page Form CRS.

potential for conflicts. (For an example of a financial conflict, please read Item 5E.) Our policy is to seek alignment with our clients' interests.

Item 4C. Services are Tailored to Client Needs. 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. We reserve the right to accept or reject any restriction requests in our sole discretion.

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

Item 4E. Assets Managed on a Discretionary Basis. As of December 31, 2023, we managed over \$462 million of client assets on a discretionary basis for 94 families, 84 of whom were high-net-worth families. See Item 16 for more information on "discretion."

## ITEM 5: FEES AND COMPENSATION

Item 5A. Compensation for Services. Compensation for our services is fully transparent, as described in your Supervisory Agreement or Consulting Agreement. *There are no undisclosed (hidden) fees or payments.*

Supervisory Services. You compensate us for Supervisory Services by paying us a fee based on the value of your portfolio for the billing period and at the rate set out in your Supervisory Agreement ("Supervisory Fee"). The Supervisory Fee is determined based on the average daily (closing) balances of your accounts, after inflows and outflows are taken into account.

The following table shows sample Supervisory Fee annual rates for new clients at various portfolio values. We do not negotiate rates; we reserve the right to reduce rates in our sole discretion (example: family members of clients or special *pro bono* situations).

Sample Supervisory Fee Annual Rates for New Clients	
\$5 million = 0.85%	\$20 million = 0.59%
\$10 million = 0.68%	\$25 million = 0.57%
\$15 million = 0.62%	\$30 million = 0.56%

*Our compensation is limited to Supervisory Fees paid directly by you.* This may be a distinguishing factor when comparing other financial service providers (including investment advisers) who engage in practices that permit the receipt of payments from third parties, either as their sole compensation or in addition to direct fees. See Item 5E for additional information.

Item 5B. Fees are Deducted. Supervisory Fees are automatically deducted from your accounts in accordance with the billing period (monthly or quarterly) set out in your Supervisory Agreement.

Item 5C. Other Costs and Fees. As stated in Item 5A, we do not receive any commissions, fees, or payments, direct or indirect, from anyone, including the independent Custodian described in Item 12A. The Custodian charges clients for custody and trade executions. Those costs are not significant; trading is minimal, as are execution charges (for example, the Custodian's charge for an unlimited number of shares for an equity trade is \$8; some ETFs and mutual funds are zero commissions; some mutual fund trades are between \$12 and \$25).

Internal Fees. When we use a mutual fund in a portfolio, we favor lower, institutionally priced share classes<sup>9</sup> that have lower internal costs ("operating expenses") than other available share classes. A fund's internal fees pay for implementing the investment objectives of the fund; our Supervisory Fee pays for implementing your investment objectives.

Item 5D. Advance Payment. Supervisory Fees are payable in arrears (after services are rendered) or in advance as provided in your Supervisory Agreement. If you terminate your relationship with us before the end of the applicable billing period (monthly or quarterly), 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 conflicts related to practices in which we do not engage.* This Item requires registered investment advisers (and any of their "supervised persons"<sup>10</sup>) 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."<sup>11</sup>

In such cases, the investment adviser must address the conflicts that arise and provide its procedures for disclosing the conflicts to clients, along with the specific additional disclosures required of subparagraphs 1 through 4 of Item 5E.<sup>12</sup> *We do not receive any compensation for the sale of*

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<sup>9</sup> An example: F3 share class offered by the American Funds.

<sup>10</sup> "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.

<sup>11</sup> Form ADV Part 2A Item 5E1.

<sup>12</sup> 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

*Footnote continued on the next page*

*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 conflicts related to practices in which we do not engage.* Item 6 requires registered investment advisers to disclose if they (or supervised persons<sup>13</sup>) 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. Our clients are primarily high-net-worth individuals, trustees, and families who have the desire to create lifelong retirement income or build a legacy for heirs or charity. They typically reach out to us during a transition, such as retirement, divorce, widowhood, the illness of a spouse, the receipt of an inheritance, the sale of a business or a home, the retirement of a financial adviser, or simply wanting to experience a fiduciary boutique environment. A client might be an executive, attorney, accountant, a teacher who inherited wealth, or even a money manager wanting his spouse to benefit from our fiduciary environment.

Our minimum for new client relationships is \$5 million; exceptions are made on a case-by-case basis in special circumstances, such as family accounts, referrals made by existing clients or their attorneys or accountants, or 401(k) rollovers.

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conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.

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."

<sup>13</sup>Supervised person is defined in footnote 10.

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

Item 8A. Methods of Analysis and Strategy. Investing in financial assets 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 may be 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 may also be used when appropriate considering the investment objectives and risk profile of the client.

Holdings may be individual securities or pooled investment vehicles. As appropriate for the particular portfolio, we may use individual fixed income and equity securities, including exchange-listed and over-the-counter securities and ETFs (exchange traded funds), mutual funds and closed-end investment companies, variable annuities and insurance products, unit trusts, bank certificates of deposit. It would not be unusual to maintain cash or cash equivalents, such as money market funds or Treasury Bills, in a portfolio for diversification and liquidity, or for opportunistic or 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 recommend or use market timing, short-term trading, short sales, margin, direct option-writing, hedging or tax strategies; however, in appropriate cases, we may use inverse and enhanced strategies as described in Item 8C. In certain instances, clients may request us to use certain of these strategies; we reserve the discretion to accept or reject these requests.

Item 8B. Investment Risk. All investments carry risk by definition; without risk, there is no investment. While you'll find detailed disclosure in prospectuses for the securities that you invest in, below are some general risks that you should consider prior to and as you invest.

*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 will rise and fall in reaction to supply and demand, generally based on the underlying financial health of the securities in the market. 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. Normally, we do not use margin; 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 may use leverage. 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 than developed market investments.

*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 limited cases, justified by risk/reward considerations and time horizon, we may use leveraged securities (leveraged exchange traded funds<sup>14</sup>) 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

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<sup>14</sup> These funds typically seek daily investment results that correspond, before fees and expenses, to 2x (or more) the daily performance of their underlying benchmark (the "Daily Target"). While these funds have a daily investment objective, we may hold fund shares for longer than one day if we believe it is consistent with your goals and risk tolerance. For any holding period other than a day, your return may be higher or lower than the Daily Target. These differences may be significant. Smaller index gains/losses and higher index volatility contribute to returns worse than the Daily Target. Larger index gains/losses and lower index volatility contribute to returns better than the Daily Target. The more extreme these factors are, the more they occur together, and the longer your holding period while these factors apply, the more your return will tend to deviate.

for the purpose of hedging against downside market risk; or (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. (The term "legal and disciplinary" includes 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 conflicts related to 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 and the circumstances of the conflict, such as the receipt of direct or indirect compensation. *We do not engage in such practices and thus have no conflicts to report pursuant to this Item.*

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

Item 11A. Code of Ethics. Our Code of Ethics<sup>15</sup> serves to establish a standard of business conduct for all of our employees based upon fundamental principles of openness, integrity, honesty, and trust. The Code of Ethics is provided at the end of this document.

Item 11B. Participation or Interest in Client Transactions. *Item 11B requires disclosure of conflicts related to 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.<sup>16</sup> *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. It is unlikely that such trades would be significant enough in size to impact market prices in the types of securities that we recommend for clients.

Item 11D. Personal Trading: Timing of Securities Purchases for the Firm. Firm and employee trades are not placed ahead of client trades.<sup>17</sup>

## 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, 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.

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<sup>15</sup> Registered investment advisers are required to adopt a written code of ethics under section 204 A-1 of the Act.

<sup>16</sup> SEC Release IA-3060 Amendments to Form ADV Final Rule, July 28, 2010, page 30 ("Adopting Release").

<sup>17</sup> Item 11 B, C, and D disclosure is not applicable to securities that are not "reportable securities" under rule 204 A-1(c)(1) of the Act, such as shares of unaffiliated mutual funds. Adopting Release page 32.

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. Should the Custodian or the firm be responsible for a trade error, it is the firm's policy to seek a resolution that makes the client whole.

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 free or at a discount.

Some registered investment advisers may agree to invest a specific amount or percentage of client assets in 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 conflicts related to 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, execution costs could be higher or lower.

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 monitor your accounts to ensure that holdings are appropriate considering your investment objectives, time horizon, and risk/reward parameters. Our staff reviews trades daily and portfolios weekly, or more frequently as warranted by their composition and objectives, 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 conflicts related to 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 conflicts related to practices in which we do not engage.* If we were to compensate any person who is not a supervised person<sup>18</sup> for referrals we would be required to disclose such arrangements. *We do not compensate for referrals.*

#### ITEM 15: CUSTODY

Custody of Client Assets. *Item 15 requires disclosure of conflicts related to practices in which we do not engage.* We do not custody client assets; an independent custodian does, as explained in Item 12. Registered investment advisers who do hold the assets of their clients (“custody”) must address the increased potential risk of such an arrangement. *We do not hold client assets.*

#### 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.

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<sup>18</sup> Supervised person is defined in footnote 10.

## ITEM 17: VOTING CLIENT SECURITIES

Items 17A and B. Voting Proxies. *Item 17 requires disclosure of conflicts related to practices in which we do not engage.* We do not accept authority to vote client securities. 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

Item 18A. Prepayment. 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.

Item 18B. Financial Conditions. 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. Bankruptcies. We have not been the subject of a bankruptcy petition.

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## **CODE OF ETHICS**

Our Code of Ethics articulates the broad standards that we, as investment advisers, follow to deliver the highest levels of ethical conduct in our interaction with our clients and with each other.

### **I. Fiduciary Duty and Professional Responsibility**

An investment adviser stands in a special relationship of trust and confidence with, and therefore is a fiduciary to, its clients. As a fiduciary, an investment adviser has an affirmative duty of care, loyalty, honesty, and good faith to act in the best interest of its clients. The parameters of an investment adviser's duty depend on the scope of the advisory relationship and generally include:

- The duty at all times to place the interests of clients first;
- The duty to have a reasonable basis for its investment advice;
- The duty to seek best execution for client securities transactions where the adviser directs such transactions;
- The duty to make investment decisions consistent with any mutually agreed upon client objectives, strategies, policies, guidelines, and restrictions;
- The duty to treat clients fairly;
- The duty to make full and fair disclosure to clients of all material facts about the advisory relationship, particularly regarding conflicts of interest; and
- The duty to respect the confidentiality of client information.

### **II. Professional Qualifications Standards**

To enable an investment advisory firm to serve its clientele effectively, its investment and managerial personnel need to be individuals of experience, ability, competence, and integrity.

### **III. Responsible and Ethical Business Practice Standards**

An investment adviser needs to run its business responsibly and ethically, including ensuring that its financial condition, operations, and compliance structure are appropriate to protect its clients' interests.

### **IV. Compensation for Services Standards**

The compensation of an investment adviser for investment advisory services needs to be fair, reasonable, and fully disclosed to the client.

### **V. Communications with Clients and the Public Standards**

An investment adviser's oral and written statements, including those made to clients, prospective clients, their representatives, or the media, need to be accurate, balanced, and not misleading.

## **BUSINESS CONTINUITY PLAN**

Our Business Continuity Plan is meant to anticipate possible business disruptions in order to minimize their effect on client service.

Three points need to be made.

First, at all times, clients have direct access to their accounts through the independent Custodian (see Item 12A).

Second, a committee of the firm sets, reviews, and updates procedures for our staff to implement in the unlikely event of the unplanned absence of a key employee or a natural or man-made disaster.

Third, we have a plan to prudently grow our practice over the upcoming years, focusing holistically on nurturing and training leaders to implement our portfolio management process. Our concentration on process, rather than any one person, allows us to envision the firm serving our current (and future) clientele, as well as their children and grandchildren, for generations to come.

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## PRIVACY NOTICE

This privacy notice is provided to you in compliance with 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.

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