

# JOHN A. WOLFE & ASSOCIATES, INC.



## CLIENT BROCHURE

*This Form ADV Part 2A Brochure provides information about the qualifications and business practices of John A. Wolfe & Associates, Inc. If you have any questions about the contents of this Brochure or our services, please contact us at 269-324-1988 or 800-344-6341.*

*The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"). Registration does not imply a certain level of skill or training. Information about John A. Wolfe & Associates, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

JAWA, Inc.'s SEC number is: 801-36076  
JAWA, Inc.'s CRD number is: 110799

**440 West Centre Avenue, Suite 4  
Portage, Michigan 49024  
269-324-1988  
800-344-6341**

January 30, 2024

## ITEM 2: MATERIAL CHANGES

Registered Investment Advisers are required to amend their Form ADV 2 Brochures promptly throughout the year with material changes and no less than once per year within 90 days of the Adviser's fiscal year end.

JAWA, Inc. amended this ADV 2A Brochure on January 30, 2024, to report its 2023 fiscal year end information. There were no material changes to report.

JAWA, Inc. previously amended this ADV 2A Brochure on February 23, 2023, to report its 2022 fiscal year end information. There were no material changes to report.

We always look forward to hearing from our clients. If you should have any questions, please contact our office.

Thank you!

John A. Wolfe, CFP®  
President and Chief Compliance Officer  
**John A. Wolfe & Associates, Inc.**  
269-324-1988  
800-344-6341

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## ITEM 4: ADVISORY BUSINESS

### A. DESCRIPTION OF THE ADVISORY FIRM

John A. Wolfe & Associates, Inc. ("JAWA, Inc." or "Adviser") is a Registered Investment Adviser located in Portage, Michigan. JAWA, Inc. is registered with and regulated by the United States Securities Exchange Commission ("SEC"). JAWA, Inc. was established in February 2007 and succeeded The Miller Financial Group, Inc. (formed February 1990) which succeeded Jake Miller Investment Advisors, Inc. (formed December 1989). John A. Wolfe is the President, Chief Compliance Officer and 100% owner of JAWA, Inc.

### B. TYPES OF ADVISORY SERVICES

JAWA, Inc. offers professional **fee-only** Asset Management Services and assistance with non-discretionary Assets under Advisement. The term "fee-only" means that JAWA, Inc. is an independent Investment Adviser and is compensated *only* in the form of advisory fees paid by investors. JAWA, Inc. is only compensated in the form of a percentage of assets under management. JAWA Inc. is a fiduciary to each of its clients.

*"Adviser Representatives"* are those persons who are appropriately registered and authorized by the Adviser to deliver advisory services. JAWA, Inc.'s Adviser Representatives are not registered representatives of a broker/dealer nor are they insurance agents. Therefore, JAWA, Inc.'s Adviser Representatives do not accept commissions for securities or insurance recommendations.

JAWA, Inc. is not a broker/dealer or custodial firm. Any transactions in securities will be executed by the client's brokerage firm. Managed assets are held in the client's name at the client's selected custodian. Normally, clients will utilize Charles Schwab & Co.

Services and investment recommendations in connection to assets invested in corporate retirement plans are limited to those offered within the plan and via the plan's contracted service providers.

JAWA, Inc. can provide customized services to individuals, pension and profit sharing plans, trusts, estates, endowments, charitable organizations, corporations and other business entities. The Adviser may recommend the services of itself, its Adviser Representatives in their individual capacities as investment managers, and the services provided by unaffiliated entities to implement its recommendations (such as Charles Schwab & Co., Inc.).

JAWA, Inc. may offer a complimentary general consultation to discuss services available, to give a prospective client time to review services desired, and to determine the possibility of a potential Client-Adviser relationship. Services begin only after the Client and Adviser formalize the relationship with a properly executed Client Service Agreement.

After the formal engagement and depending upon the scope of the services to be provided, JAWA, Inc. and the client will share in a data gathering and discovery process in an effort to determine the client's stated needs, goals, intentions, time horizons, risk tolerance and investment objectives. The client and JAWA, Inc. will normally complete an Account Suitability Profile, depending upon the nature of services to be provided. Clients engaging asset management services are expected to play an active role. The Adviser requires the client to participate in the formation of the investment plan or strategy as well as any changes thereto (such as may occur as the result of reported changes or anticipated changes in the client's financial situation).

JAWA, Inc.'s categories of services are as follows:

- 1. Asset Management Services.** entail continuous monitoring of the managed portfolio together with ongoing advice and recommendations. JAWA, Inc. remains available to the client during the Adviser's normal business hours.

JAWA, Inc.'s Asset Management Services can be comprehensive in nature or focus on a portion of the client's investment portfolio. JAWA, Inc. provides individualized services that can be tailored to meet the client's stated needs and objectives. Depending upon the client's level of participation, JAWA, Inc. will normally conduct a comprehensive review of the overall aspects of a client's current financial situation, taking into consideration the long and short-term objectives. In the alternative, the client may request management services that only focus on a particular portion of their overall investment portfolio. After an analysis and data-gathering process and depending upon the services requested, JAWA, Inc. will normally perform the following steps:

- ❖ Existing portfolio review and analysis
- ❖ Assistance with the preparation of a customized Account Suitability Profile
- ❖ Asset allocation recommendations
- ❖ Recommendation of specific investments
- ❖ Implementation of the investment plan / strategy
- ❖ Ongoing management of the client's investment portfolio and consultations.

The Adviser's Asset Management Services are provided to clients invested in stocks, mutual funds, exchange traded funds, bonds and other assets, as outlined in the designed investment strategies. Services and investment recommendations in connection to assets invested in retirement plans are limited to those offered within the plan and via the plan's contracted service providers.

JAWA, Inc.'s discretionary asset management philosophy is primarily conservative, and its investment strategies are based upon principles that have a reasonable expectation for potential success in the long term. These principles are well known, having research and historical data that support the Adviser's disciplined methodology of asset management. JAWA, Inc.'s investment philosophy, its strategies, and how they are structured for the client's benefit are discussed more fully in Item 8 of the Brochure.

Once portfolio recommendations have been implemented, JAWA, Inc. provides ongoing reviews, advice and recommendations. The underlying portfolio assets may be reviewed daily, and the managed portfolio will be reviewed at least

quarterly, depending upon the types of investments, market conditions, as the result of significant deposits or withdrawals and at the discretion of the Adviser.

The ongoing Asset Management Services are individualized and based upon the client's unique stated needs. JAWA, Inc. will manage the client's portfolio in accordance with an investment plan selected by the client. Clients engaging Asset Management Services should play an active role. During the course of the engagement, clients may call JAWA, Inc.'s office at any time during business hours to discuss their portfolio or to ask questions, but the Adviser recommends that clients initiate a meeting no less than annually. *However, clients are obligated to immediately inform the Adviser of any material changes in their financial situation to provide the Adviser with the opportunity to review the portfolio to ensure it is still structured to help meet the client's stated needs and objectives.*

A client's financial situation and stated goals often change over time. As a result, the client's Account Suitability Profile may change. It is important to work closely with JAWA, Inc. so the Adviser's portfolio management services can adapt to address these changes.

Asset Management Services are continuous in nature and thus are ongoing until terminated by either party with a 30-day notice.

**2. Assets Under Advisement Services.** JAWA, Inc. may agree to provide administrative reporting services for non-managed investments and includes these holdings in its trimester portfolio reports. The Adviser will not maintain limited discretionary authority over these investments. The Adviser may agree to assist with client-directed transactions as a value-added service but will not manage these investments.

Clients requiring assistance on issues relating to matters outside of investment advisory topics should consult their personal tax adviser, legal counsel, or other professionals for expert opinions.

## **C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS**

JAWA, Inc. focuses on providing individualized services. The Adviser and client will share in a data gathering and discovery process in an effort to determine the client's stated needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested.

The client and Adviser will normally complete an Account Suitability Profile, depending upon the nature of services to be provided. Clients may impose reasonable restrictions in investing in certain securities or types of securities. Clients are also welcome to set parameters (in writing) on the Adviser's limited discretionary authority as to types of investments and amounts purchased or sold.

JAWA, Inc. can tailor services to focus only on certain portfolio components, depending upon the client's wishes and/or the nature of the engagement. However, where client services or information are limited, clients must understand that comprehensive financial and/or investment needs and objectives may not be fully considered due to the client's option to receive limited services, the lack of information received, and/or client disclosure.

Where clients retain authority to implement recommendations, they are welcome to do so, in whole or in part, via the financial services provider(s) of their choice.

Retirement Plan Rollovers: JAWA Inc. is a fiduciary to each of its clients. JAWA Inc.'s fiduciary duties and responsibilities also apply to advice and/or recommendations prepared in connection with your retirement plan account or individual retirement account within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts.

The way JAWA, Inc. earns compensation (a percentage of assets under its management or advisement)) creates some conflicts with your interests. Therefore, we must operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours. At the time of a rollover recommendation, we will provide you with a written disclosure discussing the reasons the rollover is in your best interests. Also, under this special rule's provisions, we must:

- \* Meet a professional standard of care when making investment recommendations (give prudent advice).
- \* Never put our financial interests ahead of yours when making recommendations (give loyal advice).
- \* Provide basic information about conflicts of interests and fees while avoiding misleading statements about these topics and investments
- \* Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- \* Charge no more than is reasonable for our services

#### **D. WRAP FEE PROGRAMS**

JAWA, Inc. does not recommend wrap fee programs nor is the Adviser engaged as a wrap fee program manager or sponsor.

#### **E. ASSETS UNDER MANAGEMENT AND UNDER ADVISEMENT**

JAWA, Inc. filed its fiscal year end annual amendment on January 30, 2024, to report its 2023 fiscal year end assets under management. As of the close of business on December 31, 2022, JAWA, Inc. managed \$498,417,000 in 1234 limited discretionary accounts. In addition, JAWA, Inc. provided services to approximately \$26 million in assets under advisement.

### **ITEM 5: FEES AND COMPENSATION**

#### **A. FEE SCHEDULES**

JAWA, Inc. is a fee-only investment advisory; its only revenues are the fees paid by clients.



- 1. Asset Management Services.** JAWA, Inc.'s annual fee rates range from a maximum of .75% to .15% of the value of the assets under management. The Adviser reserves the right to negotiate its management fee rate with each client. Fees are determined at the time of engagement and set forth in the Client Service Agreement.
- 2. Assets Under Advisement Services.** JAWA, Inc. may agree to provide back-office administrative reporting services for non-managed investments ("Assets under Advisement") and include these holdings in its portfolio reports. If agreed, an account administrative charge may apply, ranging from .12% to .60% annually, depending on whether additional services (such as reviews or general consultations) apply. The lower end of the fee range is typically applied to assets held by nonprofit organizations. The fee is determined at the time of engagement.

Fees are billed in arrears in May, September and January for the four prior months. For partial months, a daily fee is calculated by multiplying the daily valuation of billable assets by  $1/365^{\text{th}}$  of the annual fee rate. The market value of the account is set by the client's custodian. Each partial month's fee is the sum of that month's daily fee calculations. A full monthly fee is calculated by multiplying the month end billable asset valuation by the month's fee factor, which is  $1/365^{\text{th}}$  of the annual fee rate times the month's number of days. Clients receive statements showing their monthly fees, their fee rates and their account monthly ending values and average monthly values. A report showing every detail of the fee calculation can be provided upon request.

If during the engagement the scope of the requested services should change or the client's circumstances or requested services should alter dramatically, the Adviser may adjust its fee with a 30-day written notice. During this prenotification period, clients are welcome to terminate services with a 30-day notice. In such cases, the client's fee will remain unchanged and charged only until the effective date of termination.

## **B. PAYMENT OF ADVISORY FEES**

Payment of JAWA, Inc.'s fees may be made directly to the Adviser or through a debit directly to the client's account by the qualified custodian holding the client's funds and securities. The Adviser follows the following criteria when payment is made via a qualified custodian as required by the SEC's Investment Advisers Act of 1940, as amended:

1) The client provides written authorization permitting the fees to be paid directly from the client's account held by the independent qualified custodian and the authorization is limited to withdrawing contractually agreed upon Investment Adviser fees; (2) The client will directly receive regular (monthly or quarterly) reports directly from the qualified custodian which reflect the Adviser's fee deduction; (3) The frequency of fee withdrawal shall be specified in the written authorization/agreement; (4) The custodian of the account shall be advised in writing of the limitation on the Adviser's access to the account and; (5) The client shall be able to terminate the written billing authorization or agreement at any time.

If the designated account(s) do not contain sufficient funds to pay advisory fees, the client can leave standing orders to deduct fees via other accounts. In the absence of

alternate instructions, the Adviser will issue an invoice for advisory fees to the client and payment is expected with 10 days of the invoice date.

It is important to note that custodial firms do not verify advisory fees. Therefore, clients should review their custodial statements carefully. If a client should have any questions or concerns in connection with an advisory fee deduction, they should promptly contact JAWA, Inc.

If at any time during the engagement the client fails to directly receive the regular statements produced by the custodian, it is important for the client to *promptly* notify JAWA, Inc. and the custodial firm. If client(s) should move, it is vitally important to provide the Adviser and the custodial firm with the new contact information.

### **C. FEES ASSOCIATED WITH INVESTING**

Clients are responsible for the payment of all third-party fees associated with investing. Clients may pay transaction and brokerage commission to their broker/dealer or other service providers (*Financial Institution[s]*) as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third party fees, deferred sales charges, oddlot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All fees paid to the Adviser for advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares offered by mutual fund companies. If a mutual fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge. JAWA, Inc. does *not* receive any portion of these investment-related fees. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fees. A complete explanation of the expenses charged by a mutual fund or ETF is contained in the respective mutual fund prospectus. Clients are encouraged to read each prospectus and securities offering document.

### **D. PREPAYMENT OF FEES**

JAWA, Inc.'s fees are invoiced in arrears.

JAWA, Inc.'s services will continue until either party receives a written notice of termination. Where services are terminated prior to the end of a billing period, the Adviser will only invoice the client for services provided up until the effective date of termination.

### **E. OTHER COMPENSATION FOR THE SALE OF SECURITIES TO CLIENTS**

JAWA, Inc. is a *fee-only* Registered Investment Adviser. Neither the Adviser nor its Adviser Representatives accept compensation or commission for the recommendation of securities products.

## **ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

JAWA, Inc.'s fees are not "performance based" (based upon a share of capital gains or capital appreciation, or performance, for any portion of funds under an advisory contract). Performance-based compensation relationships can create a conflict of interest between a firm's performance-based clients and those clients who pay a fixed fee rate. Since JAWA, Inc. does not participate in performance-based fees, it does not engage in side-by-side management arrangements.

## **ITEM 7: TYPES OF CLIENTS AND MINIMUM ACCOUNT SIZE**

JAWA, Inc. provides services to individuals, pension and profit sharing plans, trusts, estates, endowments, charitable organizations, and corporations or other business entities.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("*ERISA*"), JAWA, Inc. acknowledges that it is a fiduciary within the meaning of the Act and the ERISA client is a named fiduciary with respect to the control or management of the assets in the Account. In each instance, the client will agree to obtain and maintain a bond satisfying the requirements of Section 412 of ERISA and to include the Adviser and the Adviser's principals, agents, and employees under those insured under that bond and will deliver to the Adviser a copy of the governing plan documents. If the Account assets for which the Adviser provides services represent only a portion of the assets of an employee benefit plan, the client will remain responsible for determining an appropriate overall diversification policy for the assets of such plan.

JAWA, Inc. suggests an opening portfolio balance of \$500,000. The Adviser, at its sole discretion, reserves the right to accept portfolios that do not meet the minimum where special circumstances exist, for family members of clients or the Adviser's personnel, charitable organizations, pre-existing relationships or where the client has the ability to meet the minimum portfolio amount within a reasonable time period.

JAWA, Inc. reserves the right to decline to offer services to any person or firm at its sole discretion.

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

### **A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

The goal of an Investment Adviser is to earn a return for the investor; however, returns are earned through the investor's assumption of risk. All investors should be prepared to bear the risk that an investment could result in a negative outcome, including loss. While the Adviser cannot guarantee that investment goals will be met, the probability

that an investment earns a positive return is generally greater when the investment horizon is long term, the strategies are supported by years of thoughtful investing experience and research, and the investment expenses are low.

JAWA, Inc.'s criteria in making investment decisions begins with the evaluation of securities. The Adviser strives to provide individualized asset management services and selects a portfolio best suited to the client after the client has defined their objectives, risk tolerance and time horizons and has approved the investment strategy.

Client participation and the client's delivery of accurate and complete information are critical to the Adviser's process. In performing its services, the Adviser shall not be required to verify information received from the client or from the client's other advisers (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information.

The Adviser seeks to take an independent, balanced approach to the management of client investment portfolios. The Adviser considers a number of factors including the Adviser's analysis of potential asset class returns, a client's investing history, the tolerance for portfolio volatility, threshold for permanent losses, and short-term portfolio liquidity needs. JAWA, Inc. thereafter seeks to build and actively manage a customized investment portfolio, combining internally-researched securities with externally managed funds (open-end mutual funds and exchange-traded funds).

Investment concepts are based upon a variety of sources including internal research, screening software, and publicly available materials. Third-party research is also utilized by the Adviser. The Adviser's process emphasizes investment philosophy, management quality, and overall expense ratios. Prospective investments are considered in relation to the structure of the overall portfolio and purchased only when the Adviser feels such purchase improves the portfolio's overall risk-adjusted expected return potential.

JAWA, Inc. normally sells an investment when conditions warrant based on the Adviser's analysis rather than in accordance with a preset timetable.

Changing conditions in the client's financial life or significant changes in market conditions may warrant a collaborative effort with the client to modify their strategic investment framework, which consequently may also trigger changes to investment holdings within the portfolio.

While the Adviser makes every effort to consider tax consequences, the sale of investments may cause taxable gain(s) or loss(es) to the client. Clients are welcome to consult their independent personal tax adviser about tax consequences resulting from transactions or any particular investment held in their account.

Clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Adviser. In such cases, the Adviser has not passed on the suitability of said investments and while the Adviser may assist with client-directed implementation as a value-added service at the client's request, the Adviser will not generally manage these types of investments unless agreed in writing.

## **1. Fundamental Analysis.**

Fundamental analysis is a method used to attempt to measure a security's intrinsic value by examining real data concerning financial strength, financial performance, market/brand dominance, stability, management and other qualitative and quantitative factors relative to their history and industry class. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts.

Fundamental analysis is not without its drawbacks and problems. For one, this method can be tedious and time consuming. There is a time delay when doing fundamental analysis as the financial data that the analyst is reviewing is always from the previous year or previous quarter. In addition, even if a fundamentally strong company at the right price is identified, it does not mean that the company shares are going to move anytime soon. Therefore, some holdings may need to be held for quite some time.

Once a trend in the fundamentals of a company is established, normally, the future growth will be extrapolated using that trend. The extrapolation is a subjective exercise and should be cautiously assessed. Extrapolation may not always work and may result in a wrong call.

As with any data produced by a third party, there is always the possibility that the company's data has been manipulated. It does happen, and it can be very difficult to detect. Thus, an analyst is limited by the information that is published.

## **2. Diversification.**

The concept of asset allocation or spreading investments among a number of asset classes, different industries and often geographical regions worldwide is JAWA, Inc.'s guiding strategy. JAWA, Inc. takes the position that risk reduction is a key element to long-term investment success (depending upon the client's stated objectives). Under this strategy, securities are selected in view of their correlation with other securities in the portfolio. By decreasing correlation among the securities, it is generally believed that a portfolio will have a higher probability of earning a return in varying economic circumstances. JAWA, Inc. may also consider a strategic diversified asset allocation which is a lifetime approach, wherein selected asset classes and their weightings focus on the overall investment objective and risk tolerance of the client. This strategy is a relatively passive investment style, wherein the assets and weightings are set and remain relatively unchanged. The strategy places a great emphasis on minimizing portfolio turnover and trading/transaction costs.

Diversification and strategic asset allocation is not without their challenges, of course. The strategies assume that investors are always rational and risk-averse, which may not always be the case. In addition, many critics believe risk cannot be reduced to a charted or mathematical model or relied upon as a sole basis for investment decisions. However, diversification can serve as a reference point for modeling the potential of an investment portfolio. Thus, this strategy adds a singular dimension within a more comprehensive asset management process.

It is important that investors and their Advisors match their portfolio design with the client's stated appropriate risk profile. Beyond that, risk and one's willingness to

assume more or less risk, should be modified as the client grows older and/or client circumstances change.

Recommendations for or purchases of investments will be based on publicly available reports and analysis. In the case of mutual funds, recommendations will be based on reports and analysis of performance and managers, and certain computerized models for asset allocation and investment timing. Market timing, stock selection and track record investing are generally discouraged.

Portfolio holdings or recommendations are generally judged by (managers' or investments') experience, track record and performance of like-kind investments. The Adviser will actively monitor and review each portfolio. Investors should expect to remain fully invested within the ranges of their selected asset allocation plan at all times unless restated by the client. Unless otherwise directed by the client, the Adviser generally looks to the long-term when developing advice and recommendations based upon information provided by the client.

Portfolio additions may be in cash or securities provided that the Adviser reserves the right to liquidate any transferred securities or decline to accept securities into the client's account.

JAWA, Inc. may consult with its clients about the options and ramifications of transferring securities when provided pre-notification of the client's intentions. In such cases, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. JAWA does *not* receive any portion of such fees.

Clients may withdraw account assets on notice to the Adviser, subject to the usual and customary securities settlement procedures. Unless otherwise guided by the client, JAWA generally designs its client portfolios as long-term investments and asset withdrawals may impair the achievement of a client's investment objectives.

## **B. RISKS**

JAWA, Inc. seeks to utilize investment strategies that are designed to capture market rates of both return and risk. It is the Adviser's position that thoughtful investment selections that meet a client's stated goals and risk profile may help keep individual risks at an acceptable level. JAWA, Inc. takes the general position that investors with diverse portfolios have a better chance of making a profit because it is difficult to accurately predict the movement of the economy. However, no single strategy can be relied upon to outperform the market.

JAWA, Inc.'s goal in its analysis is not to time the market as the Adviser generally utilizes long-term trading and short-term trading. An investor should be mindful that frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

All investing strategies offered by the Adviser involve risk and may result in a loss of an investor's original investment. Many of these risks apply equally to stocks, bonds and any other investment or security. Identified material risks associated with the Adviser's investment strategies include:

Market Risk: Market risk involves the possibility that an investment's current market value will decline due to general market decline, thus reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Investment Strategy Risk: This risk exists when an Adviser's strategy may fail to produce the intended results.

Style Risk: The Adviser's strategy may consist of "value" and or "growth" investments. With respect to securities and investments considered undervalued by the Adviser, market prices may not reflect our determination that the security is undervalued, and its price may not increase to what we believe to be its full value and may even decrease in value. With respect to "growth" investments, the underlying earnings or operational growth anticipated may not occur, or the market price of the security may not increase as anticipated.

Defensive Risk: To the extent that the strategy attempts to hedge or take defensive measures such as holding a significant portion of its assets in cash or cash equivalents, the objective may not be achieved.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise and the value may fall below par value or the principal investment. The opposite is also generally true: Bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes, court rulings and regulatory actions may impact the value of Investments.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Margin Transactions: JAWA, Inc. does not recommend margin transactions. As previously noted, clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Adviser. In such cases, the Adviser has not passed on the suitability of said investments and while the Adviser may assist with client-directed implementation as a value-added service at the client's request, the Adviser will not manage these types of investments unless agreed in writing. *It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.*

### **C. RISKS OF SPECIFIC SECURITIES UTILIZED**

JAWA, Inc. generally seeks investment strategies that do not involve significant risk or unusual risk beyond that of the general domestic and / or international equity markets.

Investments in individual stocks can be risky. Some risks can be controlled, some risks can be guarded against, but no investment strategy can carry guarantees from loss. Certain market risks cannot be controlled, such as market or economic conditions. Certain strategies may be employed to adjust portfolios, or the Adviser and client may agree to hold the portfolio's course. JAWA, Inc. generally designs portfolio strategies

for the long-term, unless a client directs otherwise. JAWA, Inc. does not attempt to time the market.

Investments in mutual funds may bear a risk of investment loss. The level of risk in a mutual fund depends on what it invests in. Stocks are generally riskier than bonds, so an equity fund tends to be riskier than a fixed income fund. Plus, some specialty mutual funds focus on certain kinds of investments, such as emerging markets, to try to earn a higher return. These kinds of funds also tend to have a greater risk of a larger drop in value—yet the greater the risk, the greater the reward (or potential for higher returns).

Exchange traded funds (ETFs) can vary significantly from the net asset value due to market conditions. Certain funds may not track underlying benchmarks as expected.

Fixed income investments generally are utilized as a portfolio diversification element as well as for income deriving investments outside of equity exposure.

There are certain risks involved in investing in government, municipal, and corporate bonds such as: interest rate risk, reinvestment risk, inflation risk, market risk, selection risk, timing risk, and price risk. In addition, legislation could change the tax code which could affect the value of taxable / tax-exempt interest income. Some bonds have a “call provision” entitling their issuers to redeem them at a specified price on a date prior to maturity. Declining interest rates may accelerate the redemption of a callable bond, causing an investor’s principal to be returned sooner than expected. If a bond is called at or close to par value, as is usually the case, investors who paid a premium also risk a loss of principal. There exists a liquidity risk if investors have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Additional risks may include: credit risk, default risk, event risk and duration risk. Bank obligations, including bonds and certificates of deposit, may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are highly dependent upon short-term interest rates and may be adversely affected by downturns in the U.S. and foreign economies and/or changes in regulations.

*Clients are hereby advised to read each offering document carefully before investing. Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that all clients should be prepared to bear.*

## **ITEM 9: DISCIPLINARY INFORMATION**

JAWA, Inc.’s record does not reflect the existence of any data that would be material to a client’s or prospective client’s evaluation of JAWA or the integrity of its management.

JAWA, Inc. has not been involved in any disciplinary or investment-related legal events. The Adviser has not been involved in any criminal or civil actions, administrative proceedings before the SEC or any other federal, state or foreign regulatory or self-regulatory authorities.

Officer and Adviser Representative data is contained in the attached Form ADV Part 2B Brochure.



## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. REGISTRATION AS A BROKER/DEALER (“BD”) or BD REPRESENTATIVE**

Neither JAWA, Inc. nor its representatives are registered as a broker/dealer or as Representatives of a broker/dealer.

### **B. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, OR A COMMODITY TRADING ADVISER**

Neither the Adviser nor its representatives are registered as a FCM, CPO or a CTA.

### **C. RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND POSSIBLE CONFLICTS OF INTERESTS / OTHER BUSINESS ACTIVITIES**

JAWA, Inc. does not have affiliated businesses. JAWA does not operate as nor is it related to a hedge fund or other type of private or public pooled investment vehicle.

JAWA, Inc. does not maintain registration relationships with any of the following:

- broker-dealer, municipal securities dealer, or government securities dealer or broker;
- 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);
- other investment Adviser or financial planner;
- futures commission merchant, commodity pool operator, or commodity trading adviser;
- banking or thrift institution;
- accountant or accounting firm;
- lawyer or law firm;
- insurance company or agency;
- pension consultant;
- real estate broker or dealer;
- sponsor or syndicator of limited partnerships.

### **D. SELECTION OF OTHER ADVISORS AND COMPENSATION FOR SELECTIONS**

JAWA, Inc. does not recommend other asset management firms.

As a fee-only investment adviser, JAWA, Inc. is only compensated in the form of investment advisory fees paid by its clients.

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

### **A. CODE OF ETHICS**

JAWA, Inc. takes the issue of regulatory compliance seriously and is committed to maintain compliance with federal and applicable state securities laws. JAWA has a position of public trust and it is our goal to maintain that trust; provide excellent service, good investment performance and advice that is suitable.

JAWA, Inc. places great value on ethical conduct. Therefore, the ultimate goal of our internal policies is to challenge our staff to live up not only to the letter of the law, but also to the ideals set forth by the Adviser.

Clients may be familiar with the roles fiduciaries play in various legal situations and in certain industries. As a Registered Investment Adviser, JAWA, Inc. is a fiduciary to each and every client.

As fiduciaries, Investment Advisors owe their clients several specific duties. According to the SEC, an Investment Adviser's fiduciary duties include:

- ❖ Providing advice that is suitable
- ❖ Providing full disclosure of material facts and potential conflicts of interest (such that the client has complete and honest disclosure in order to make an informed decision about services of the Adviser and about investment recommendations)
- ❖ The utmost and exclusive loyalty and good faith
- ❖ Best execution of transactions under the available circumstances
- ❖ The Adviser's reasonable care to avoid ever misleading clients
- ❖ Only acting in the best interests of clients.

It is JAWA, Inc.'s policy to protect the interests of each of the Adviser's clients and to place the clients' interests first and foremost in each and every situation. JAWA will abide by honest and ethical business practices to include, but is not limited to:

- ❖ The Adviser will not induce trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account.
- ❖ The Adviser will make investment decisions with reasonable grounds to believe they are suitable for the client on the basis of information furnished by the client and will document suitability.
- ❖ The Adviser and Adviser Representatives will not borrow money from clients.

- ❖ JAWA, Inc. will not recommend the purchase of a security without the reasonable belief that the security is registered or is exempt from registration in states where JAWA provides investment advice, based upon information the Adviser receives.
- ❖ The Adviser will not recommend that clients place orders to purchase or sell a security or engage in services through a broker/dealer or agent that is not licensed, based upon information available to the Adviser.
- ❖ The Adviser's staff shall report all required personal securities transactions to John A. Wolfe, CFP®, President and Chief Compliance Officer, as required by the SEC. Reportable trades for this Adviser include all but the following *exceptions*:
  - Transactions effected pursuant to an automatic investment plan
  - Securities held in accounts over which the access person has no direct or indirect influence or control
  - Transactions and holdings in direct obligations of the Government of the United States
  - Money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments
  - Shares of money market funds
  - Transactions and holdings in shares of mutual funds are not reportable, since the Adviser does not have a material relationship with an investment company which would otherwise require reporting
  - Transactions in units of a unit investment trust are not reportable if the unit investment trust is invested exclusively in unaffiliated mutual funds.

JAWA, Inc. will not permit and has instituted controls against insider trading. All applicable securities rules and regulations will be strictly enforced.

Adviser Representatives and administrative personnel who do not follow the Adviser's Code of Ethics or who in any way violate securities rules and regulations, or who fail to report known or suspected violations will be disciplined or terminated, depending upon severity. Such persons could also face action by the SEC and/or state securities regulators.

Clients are welcome to request a copy of the Adviser's Code of Ethics by contacting the Adviser's office.

## **B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS**

JAWA, Inc. does not recommend that clients buy or sell any security in which any of JAWA, Inc.'s related persons have a material financial interest.

## **C. INVESTING PERSONAL MONEY IN THE SAME SECURITIES AS CLIENTS**

JAWA, Inc. and/or individuals associated with JAWA, Inc. may have similar investment goals and objectives and as a result may buy or sell securities for their personal

accounts that may be identical to or different from those recommended to clients. Thus, at times the interests of the Adviser's or staff members' accounts may coincide with the interests of clients' accounts. However, at no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions nor will the Adviser or its associated persons place itself in a position to have added benefit as a result of advice given to clients.

#### **D. TRADING SECURITIES AT / AROUND THE SAME TIME AS CLIENTS**

JAWA, Inc. and its Adviser Representatives acknowledge the Adviser's fiduciary responsibility to place the investment needs of clients ahead of the Adviser and its staff. The interests of clients are held in the highest regard. At no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions. The Adviser and its staff will not place itself in a position to have added benefit as a result of advice given to clients.

JAWA, Inc.'s staff shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.

The Adviser has established trading policies for its access persons. JAWA, Inc.'s Chief Compliance Officer is responsible for the monitoring of personal trading conducted by staff.

### **ITEM 12: BROKERAGE PRACTICES**

#### **A. FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER/DEALERS**

JAWA, Inc. is independently owned and operated and has no legal affiliation with any brokerage or custodial firms.

JAWA, Inc. recommends the services of Charles Schwab & Co., Inc., ("*Charles Schwab & Co.*"). JAWA, Inc. participates in the Schwab Institutional Service Group program which provides services to independent investment advisers. JAWA, Inc. does not receive monetary compensation from Charles Schwab & Co. or Schwab Institutional. However, clients benefit from Charles Schwab & Co.'s competitive institutional rates for brokerage and custodial fees. In addition, the Adviser receives access to institutional funds that are not available to retail clients and many offer lower initial investment minimum requirements.

Factors which the Adviser considers in recommending Charles Schwab & Co. include their respective financial strength, reputation, execution, pricing, research, and service. Charles Schwab & Co. generally charges reasonable transaction fees. However, it is possible the commissions and/or transaction fees charged *may* be higher or lower than those charged by other broker-dealers. Clients should also evaluate the recommended service provider before opening an account.

Charles Schwab & Co. serves the needs of a vast number of independent advisors and their clients nationwide. JAWA, Inc. believes the excellent customer service and trade execution available through Charles Schwab & Co. is superior to most non-service

oriented and internet-based brokers that may otherwise be available to the general public. Charles Schwab & Co. features broad lines of products and services that may be suitable to many types of investors with varying investable assets.

JAWA, Inc. recognizes its duty to obtain the best price and execution for its clients under the circumstances available. The decision to recommend Charles Schwab & Co. is also based upon the overall service provided to investors and the services available to the Adviser (providing such recommendation is consistent with the Adviser's fiduciary duty to its clients). JAWA, Inc. also considers its experience with the service provider, the provider's reputation, and the quality of execution services and costs. Charles Schwab & Co. is a large and sophisticated order sender.

### **1. Research and other Benefits.**

As fiduciaries, Investment advisers are obligated to act in the best interest of their clients and cannot use client assets (including client commissions) to benefit themselves, absent client consent. Advisers who obtain brokerage and research services with client commissions do not have to purchase those services with their own funds, which creates a conflict of interest. However, Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor for firms that exercise investment discretion over accounts to pay for research commission dollars generated by account transactions ("soft dollars").

JAWA, Inc. has not engaged in any written agreements to receive soft or hard dollars from Charles Schwab & Co. or any other brokerage/custodial firm.

Generally speaking, soft dollars are benefits (primarily investment research and brokerage services) that investment advisers may receive in exchange for directing trade activity to a particular brokerage firm. JAWA, Inc. receives general research, business-related products and back-office administrative support services in addition to execution from its recommended service provider in connection with client securities transactions as part of the Schwab Institutional Service Group program benefits.

While there is no direct link between the investment advice given and the participation in a custodial firm's institutional program, economic benefits are received which would not otherwise be provided if the Adviser did not give advice to clients. JAWA, Inc. and its clients may pay slightly more than the lowest rate of commissions available in order to obtain various administrative and research services. However, JAWA, Inc. has determined in good faith that fees are reasonable in relation to the full range and quality of the brokerage, administrative and research services provided. This analysis is viewed in terms of either particular transactions or the Adviser's overall responsibilities with respect to the accounts over which it exercises discretion. The determinative factor is whether transaction fees represent the best qualitative execution services for JAWA, Inc.'s managed accounts.

The needs of our clients, the quality of services provided to our clients, and the overall benefit of placing trades with particular brokers are weighed carefully in each situation. In addition, in the course of determining fair and reasonable services, the Adviser works to negotiate the most reasonable costs available in light of the services provided.

Services received that benefit JAWA, Inc., and to a degree, benefit clients

JAWA, Inc. may receive certain added benefits for utilizing the recommended custodian such as research, the ability to deduct advisory fees from clients' custodial accounts, discounts on periodicals or materials, complimentary business and compliance newsletters, and various other non-cash services. Any general research received is used for the benefit of all clients. Any benefits received from the custodian represents a conflict of interest because the Adviser does recommend this service provider to its clients. However, the value of products, research and services given if any, is *negligible* and not considered by JAWA to be a material factor.

Services received that benefit clients

These services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Charles Schwab & Co. include some which we might not otherwise have access to or that would require a significantly higher minimum investment by our clients. Charles Schwab & Co. provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. In addition, Charles Schwab & Co. generally does not charge its Adviser clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the service provider or that settle into the service provider's accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The services described in this paragraph generally benefit JAWA, Inc.'s clients and their accounts.

Considerations and services that benefit the Adviser and indirectly benefits clients

JAWA, Inc. may receive from Charles Schwab & Co., without cost to the Adviser, computer software and related systems support, which allow the Adviser to better monitor client accounts maintained at Charles Schwab & Co. The Adviser may receive business software and related support at a discount or without cost because JAWA provides Asset Management Services to clients that maintain assets at Charles Schwab & Co. The software and related systems support may benefit the Adviser, but not its clients directly. Additionally, JAWA may receive the following benefits: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional adviser program participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. These services assist the Adviser in coordinating its services with the custodial firms in a more efficient manner.

Services that generally benefit only the Adviser

These services are intended to help JAWA manage and further develop its business enterprise. These services include educational conferences and events as well as technology. Services include consultations pertaining to general compliance, legal and business topics and access to publications and conferences pertaining to practice management and business succession. The service providers may also offer access to employee benefits providers, human capital consultants and insurance providers. Charles Schwab & Co. may provide these services directly and in other cases, the firm will arrange for third-party vendors to provide services to Advisers in the

institutional program. The service providers may also discount or waive fees for some services or pay all or a portion of a third-party's fees.

Rarely, the Adviser and its Advisory Representative may receive travel, meals and lodging when evaluating and performing due diligence on investment and fund managers. The Chief Compliance Officer monitors all gifts and other considerations. JAWA will generally not permit the acceptance of any entertainment-related events including, but not limited to, sporting events, concerts, or shows but these are reviewed on a case-by-case basis.

In fulfilling its duties to its clients, JAWA, Inc. endeavors at all times to put the interests of its clients first. Clients should be aware however, that the Adviser's receipt of economic benefits from a broker-dealer or other service provider(s) creates a conflict of interest since these benefits may influence the Adviser's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

## **2. Brokerage for client referrals.**

JAWA, Inc. does not accept referrals from a broker/dealer or third party in exchange for using that broker/dealer or third party.

## **3. Clients directing which brokerage/dealer/custodian to use.**

JAWA, Inc. does not accept client-directed brokerage in conjunction with its Asset Management Services.

# **B. AGGREGATING (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS**

Transactions for each client generally will be effected independently, unless the Adviser decides to purchase or sell the same securities for several clients at approximately the same time. The Adviser may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Adviser's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Due to the individualized nature of services, however, large orders of securities are rarely consistent with the nature of the Adviser's services. Aggregation is undertaken in firms processing large orders of securities in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. In each case, the Adviser strives to allocate investment opportunities or trades among its clients in a manner that is fair and equitable and based upon the client investment objectives.

In the event there is a need to execute a block trade: normally, under this procedure, transactions will generally be averaged as to price and allocated according to the Adviser's standard allocation procedure. This procedure considers the circumstances of each trade and always strives for fairness and cost-effectiveness to the client. In most cases when the Adviser executes only a partial fill of a targeted buy order, allocations will prioritize complete fills for clients with the most available cash as a percentage of portfolio assets. Likewise, when the Adviser executes only a partial fill of a targeted sell order, allocations will prioritize complete fills for clients with the least available cash as

a percent of portfolio assets. To the extent that the Adviser determines to aggregate client orders for the purchase or sale of securities, including securities in which the Adviser's Representatives may invest, the Adviser shall normally do so in accordance with applicable rules promulgated under the SEC's Investment Advisors Act and no-action guidance provided by the staff of the SEC. An allocation statement will be prepared and any special circumstances or conditions will be outlined in connection with each event. The Adviser shall not receive any additional compensation or remuneration as a result of the aggregation.

Certain issues may impact the Adviser's allocation and in such cases the allocation will be made based upon the following: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

The Adviser receives no additional benefit as a result of the proposed aggregation.

**Trade Error Policy:** The Adviser requires its personnel to carefully implement investment decisions. Nevertheless, if a trade error occurs, it is the Adviser's policy to correct the error as soon as possible and in such a manner that the affected client is not disadvantaged and bears no loss. The Adviser utilizes a trade-error account at Charles Schwab & Co., as needed, to process trade error reimbursements. Charles Schwab & Co. retains gains from errors and donates the funds to non-profit organizations in accordance with the company's then-current internal policy.

**Trading Away:** Clients may incur transaction costs in addition to any commissions charged by the broker-dealer when securities traded over-the-counter are effected on their behalf through the broker-dealer on an agency basis. Broker custody of client assets may limit or eliminate the Adviser's ability to obtain best price and execution of transactions in over-the-counter securities.

## **ITEM 13: REVIEWS OF ACCOUNTS**

### **A. FREQUENCY AND NATURE OF PERIODIC REVIEWS**

**Asset Management Services** involves continuous and ongoing services to include frequent monitoring (perhaps daily) and internal review of portfolio assets on a quarterly or perhaps more frequent basis. The frequency of and processes for the internal portfolio reviews are dependent upon the nature and complexity of the portfolio and at the discretion of the Adviser. Reviews may also occur at the time of significant deposits or withdrawals.



Reviews generally entail analyzing securities, assessing current market conditions, analyzing investment results and other factors. JAWA, Inc. may also review a portfolio if the client's asset allocation deviates over the targeted acceptable limits, at which time portfolio action is considered.

Individual reviews (with clients) are conducted as requested by the client, at the Adviser's discretion, or according to the interval agreed upon in the Client Service Agreement. The timing of reviews conducted with clients are guided by the client's stated objectives or at the Adviser's discretion; however, the Adviser prefers clients initiate meetings at least annually. In addition, *clients are obligated to contact the Adviser when there exists a real or potential change in the clients' financial condition. This prompt notification gives the Adviser the opportunity to review the clients' new information and as a result the Adviser and client can help ensure the investment strategies continue to be appropriate based on client's data and stated objectives.*

## **B. REVIEWERS**

Reviews are conducted by John A. Wolfe, CFP®, President and Chief Compliance Officer.

## **C. FACTORS THAT MAY TRIGGER NON-PERIODIC ACCOUNT REVIEWS**

The timing of internal portfolio reviews may also be guided by the underlying assets of the portfolio, individual circumstances as reasonably known by the Adviser, market conditions and the request of the client. Reviews may also be triggered by material market, economic or political events. Reviews may also occur in conjunction with significant deposits and withdrawals. As noted in Item A above, reviews may also be triggered by reported changes in the client's financial situation (which may include but are not limited to: termination or change of employment, physical relocation, inheritance or retirement).

## **D. CONTENT AND FREQUENCY OF REGULAR REPORTS TO CLIENTS**

Clients can expect to receive confirmation statements from all transactions and a monthly/quarterly statement directly from their custodial firm. The custodian's quarterly reports detail account value, net change, portfolio holdings, and all account activity. JAWA, Inc.'s reports to clients are sent three times a year. These reports include commentary addressing pertinent investment issues and economic information, account statements, presentations of performance and account activity. The Adviser may prepare additional reports or post-meeting communications at the Adviser's discretion.

# **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

## **A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (SALES AWARDS OR OTHER BENEFITS)**

JAWA, Inc. does not receive any economic benefits, directly or indirectly from any third party in connection with advice rendered to JAWA, Inc. clients other than the custodial benefits described in Item 12.A(1).

## **B. COMPENSATION TO NON-ADVISORY PERSONNEL FOR REFERRALS**

JAWA, Inc. does not directly or indirectly compensate any person or firm in exchange for client referrals.

## **ITEM 15: CUSTODY**

Clients will maintain the authority to open (or close) brokerage-custodial accounts and will remit investment funds and securities directly to Charles Schwab & Co. (or their alternative service provider). In all cases, clients have a direct and beneficial interest in their securities (individual ownership), rather than an undivided interest in a pool of securities. Execution of transactions and custody of client funds and securities are services provided by the client's selected brokerage/custodial services provider(s).

JAWA, Inc. will have access to custodial accounts as needed to implement trades via its limited discretionary authority, if such authority is granted by the client (as described in the next section). The Adviser will also have access to deduct the contractually agreed upon investment advisory fees, with the client's authorization, as discussed in Item 5 of this Brochure. Access to client accounts may be deemed custody by the SEC unless certain provisions are in place.

As part of the Adviser's efforts to provide premium service and convenience to clients, JAWA, Inc. may be granted standing letters of authorization (*SLOAs*) to assist clients with the movement of funds in and out of their accounts. As a result, JAWA, Inc. is deemed to have custody of these investment accounts. As of December 31, 2023, these services were provided to 203 clients with accounts totaling \$162,136,000. JAWA complies with the safe harbor provisions in the SEC's No-Action Letter dated February 21, 2017 (*Investment Adviser Association*).

Clients can expect to receive regular statements from the custodian which reflect account activity and the deduction of investment advisory fees. Clients should carefully review all account statements. If any client should find that statements are not being received directly or if statements contain any errors, they should promptly contact JAWA, Inc. and their custodial firm. Clients must also promptly report address changes to the Adviser and their custodial firm.

## **ITEM 16: INVESTMENT DISCRETION**

Clients have the ability to leave standing instructions with the Adviser to refrain from investing in particular industries or to invest in limited amounts of securities. The Adviser may also be granted the authority to rebalance portfolios when needed and where limited discretion has been granted.

With the client's authorization as provided in the custodial account forms and JAWA, Inc.'s Client Service Agreement, JAWA, Inc. will maintain limited discretionary trading authority to execute securities transactions in the investor's portfolio within investor's designated investment objectives. The Adviser will determine the securities and the amounts to be purchased and sold. JAWA, Inc. will not maintain full power of attorney

nor will JAWA, Inc. ever have authority to withdraw funds or to take physical custody of investor funds or securities other than via the limited access as described in Item 15.

## **ITEM 17: PROXY VOTING**

Clients retain the authority to vote proxies. JAWA, Inc. will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

While JAWA does not vote proxies for clients, it is available to assist clients with questions and concerns relating to proxies. The Adviser does not engage in proxy-related discussions with non-clients and does not solicit proxies. In the event JAWA, Inc.'s advice is solicited by its clients, the Adviser shall abide by the following conditions:

- JAWA, Inc. will disclose any significant relationship with the issuer, its affiliates or a security holder proponent of the matter on which proxy voting advice is given, as well as any material interest of the Adviser in the matter.
- The Adviser will not accept any form of special consideration from any person, other than the security holder recipient thereof, in exchange for furnishing voting advice, and;
- Voting advice will not be furnished on behalf of any person soliciting proxies, or on behalf of a participant in an election contest subject to SEC Rule 14a-11.
- JAWA, Inc. will not communicate with the press concerning a proxy.
- JAWA, Inc. does not solicit proxies.

Deviations from these policies will result in a prompt amendment of this ADV 2A Brochure and may require JAWA, Inc. to comply with SEC Proxy Registration Rules.

## **ITEM 18: FINANCIAL INFORMATION**

### **A. BALANCE SHEET**

JAWA, Inc. is not required to include a balance sheet with this brochure since it does not require nor solicit prepayment of more than \$1200 in fees per client six months or more in advance of services.

### **B. FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR THE ADVISER'S ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Neither JAWA, Inc. nor its management has any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients.

### **C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS**

JAWA, Inc. and its Officers have never been named as a party in a bankruptcy petition.

## PRIVACY POLICY

As an SEC regulated Registered Investment Adviser, JAWA, Inc. is covered under the definition of a “financial institution” in the Federal Gramm-Leach-Bliley Act (the “Act”). The Adviser is therefore subject to the Act and the rules of privacy imposed on Investment Advisors under the SEC’s Regulation S-P (the “Privacy Rule”).

Privacy of nonpublic personal information is an issue that the staff of JAWA, Inc. takes seriously. To maintain compliance with the Act and the Privacy Rule, every broker, dealer, investment company and investment Adviser is required to adopt policies and procedures reasonably designed to safeguard customer and consumer records and information. JAWA, Inc. has adopted a Privacy Policy to protect clients and consumers. In its role as Investment Adviser, JAWA routinely collects nonpublic personal information from clients and prospective clients. This information generally will include but is not limited to:

- Information provided from applications, forms and other information provided to us either verbally or in writing, and includes but is not limited to your name, address, phone number, account information, social security number, assets, employment, income and debt, and any other data that is deemed to be nonpublic personal information as defined by the Act and Regulation S-P.
- Data about your accounts, transactions, and parties to transactions;
- Information from other outside sources;

JAWA, Inc. values our clients’ trust and confidence. We will never sell the nonpublic personal information we obtain from consumers or clients.

All information provided to JAWA, Inc. by clients or prospective clients (including the Adviser’s personnel), and information and advice furnished by the Adviser to clients, shall be treated as confidential and shall not be disclosed to unaffiliated third parties, except as directed by clients with written authorization, by application to facilitate the investment advisory services offered by the Adviser via an affiliated or unaffiliated financial services provider (such as the client’s custodial firm or broker/dealer), or as required by any rule, regulation or law to which the Adviser and its staff may be subject.

JAWA, Inc. maintains clients records in a controlled environment and records (electronic and otherwise) are only available to authorized persons of the Adviser who have a need to access client information in order to deliver advisory services, provide administrative support, or to respond to client requests. JAWA, Inc. has made reasonable efforts and conducts periodic tests to ensure that its electronic network is secure. In addition, JAWA, Inc. takes reasonable efforts to help ensure clients are protected from fraud by verifying all account requests.

JAWA, Inc.’s position on protecting nonpublic personal information extends beyond the life of the Client Service Agreement. Client information is retained in a protected manner for the period of time required by regulators (five years from the date of last use) and thereafter is safely destroyed digitally or via a contracted secure shredding service.

Consumers (other than clients) who provide information during an initial consultation or for other purposes but do not go on to become clients of the Adviser also receive privacy protection. Original information will be promptly returned in person or via the mail if the Adviser's services are not engaged. Alternatively, if nonpublic personal information is contained in copies of documents, notes or some other media, this information will be securely filed for a period of up to one year (depending upon likelihood of engagement) before being shredded in-house or via our secure shredding service.

Clients are encouraged to discuss any questions regarding JAWA, Inc.'s privacy policies and procedures with John A. Wolfe, CFP®, President and Chief Compliance Officer.