

Part 2A of Form ADV: Brochure

ITEM 1 - COVER PAGE

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March 30, 2011

(Amended June 29, 2011)

This brochure provides information about the qualifications and business practices of Jones Villalta Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 1 888-282-1182 or at info@jonesvillalta.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Jones Villalta Asset Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Jones Villalta Asset Management, LLC is a "registered investment adviser." Registration does not imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

(March 30, 2011 Brochure amended as of June 29, 2011)

Item 4

In order to clarify Item 4, the sentence “Jones Villalta Asset Management, LLC, formerly known as Jones Asset Management, LP, formerly known as Stephen Jones Asset Management, Ltd. was established in October 1998” was replaced by “Jones Villalta Asset Management, LLC, formerly known as Jones Asset Management, LP, formerly known as Stephen Jones Asset Management, Ltd. became operational in 1999.”

In addition, the 2 sentences: “The total amount of assets that we manage on a discretionary basis is \$25,652,611.57 as of December 31, 2010. The total amount of assets that we manage on a non-discretionary basis is \$6,962,944.40 as of December 31, 2010.” were updated as “The total amount of assets that we manage on a discretionary basis is \$25,360,555.68 as of May 31, 2011. The total amount of assets that we manage on a non-discretionary basis is \$ 0 as of May 31, 2011.”

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ITEM 4 – ADVISORY BUSINESS

Business Background

Jones Villalta Asset Management, LLC, formerly known as Jones Asset Management, LP, formerly known as Stephen Jones Asset Management, Ltd. became operational in 1999. Jones Villalta Asset Management, LLC is referred to throughout this brochure as “we” or “our”, “JVAM” or “Jones Villalta.” We have been in business now for more than 11 years. Our affiliate, Stephen Jones Capital Management, Inc. (“SJCM”) is our manager. Stephen M. Jones is our Chairman and is also our principal owner through the SMJ Loyal Trust. Thomas Villalta is our President, Chief Investment Officer and Chief Compliance Officer and is also an owner.

Types of Services

We provide the following services to our clients:

1. Discretionary Services: our client gives us authority to make investment decisions on their behalf.

- Discretionary Investment Supervisory Services /Investment Management Services for clients to invest via separately managed accounts in our:
 - US Mid- to Large-Cap Portfolio
 - Concentrated US Mid- to Large-Cap Portfolio
 - US High Quality Bond Portfolio
 - Asset Allocation
 - Risk Modeling
 - Performance Reporting and Ongoing Due Diligence
 - Consulting Services
- Services for the selection of unaffiliated mutual funds. Unaffiliated funds are those where we are not the investment adviser.

2. Non-Discretionary services: our client directs us to make specific investment decisions.

- Consulting Services
 - Asset allocation
 - Risk modeling
 - Mutual fund research
 - Performance reporting and ongoing due diligence
 - Alternative or illiquid investment research

3. We are also the adviser to the Jones Villalta Opportunity Fundⁱ, a long-term capital appreciation mutual fund.

Our services are limited to those types described above.

Personally Tailored

- We tailor our advisory services to the individual needs of our clients, first by meeting them in person or by telephone and discussing with each client their risk tolerance, age, time horizon, income level and various other factors. Clients can impose certain limited restrictions on investments.
- For clients who invest the majority of their assets with us, we generally tailor an asset allocation for each client's risk tolerance and return needs based on information provided by the client. Often times, we may work with a client and present various iterations of an allocation in order to meet the client's individual needs and objectives. For clients who invest a minority of their assets with us, we confirm with them that their investment with us is only a fraction of their total assets (one slice of their pie).
- After our initial meeting, we annually send out a questionnaire asking each client to update their personal information and notify us of any changes to reassess specific needs and objectives. We further ask each client to confirm that their present investment strategy is appropriate and invite each to contact us to discuss it again in detail. If the allocation no longer meets the client's goal, they can write us back or call us, and we will adjust their portfolios in accordance with their changes and needs. We also seek to meet or speak with each client about their investments at least annually.

Wrap Programs

We do not sponsor Wrap Fee Programs.

Assets under Management

The total amount of assets that we manage on a discretionary basis is \$25,360,555.68 as of May 31, 2011. The total amount of assets that we manage on a non-discretionary basis is \$ 0 as of May 31, 2011.

ITEM 5 – FEES AND COMPENSATION

Fees

We provide investment management services, on a discretionary basis, to clients for a fee based upon a percentage of client assets under management. The fee is based upon the four schedules below, depending on which Investment Management service (US Mid- to Large-Cap Portfolio, Concentrated US Mid- to Large-Cap Portfolio, US High-Quality Bond Portfolio, or Consulting Services) the client engages us:

US Mid- to Large-Cap Portfolio Fee Schedule

<i>Assets</i>	<i>Annual Advisory Fee</i>
Up to \$10,000,000	1.00%
Next \$15,000,000	0.75%
Accounts in excess of \$25,000,000	Negotiable

Concentrated US Mid- to Large-Cap Portfolio Fee Schedule

<i>Assets</i>	<i>Annual Advisory Fee</i>
Up to \$10,000,000	1.00%
Next \$15,000,000	0.75%
Accounts in excess of \$25,000,000	Negotiable

US High-Quality Bond Portfolio Fee Schedule

<i>Assets</i>	<i>Annual Advisory Fee</i>
Up to \$1,000,000	0.75%
Accounts in excess of \$1,000,000	Negotiable

Consulting Services Fee Schedule (Discretionary)

<i>Assets</i>	<i>Annual Advisory Fee</i>
Up to \$5,000,000	1.00%
Accounts in excess of \$5,000,000	Negotiable

This fee schedule listed above is limited to discretionary Investment Management Services that the firm provides. These services are currently limited to the management of US mid- to large-capitalization common stocks, US high-quality fixed income securities, and portfolios consisting of mutual funds.

Our Fees for Non-Discretionary Consulting Services

We will generally provide non-discretionary consulting services for a fee, based upon a percentage of the client's assets for which consultation is provided. Our fee for ongoing non-discretionary consulting services is negotiable, depending on the size of the account.

We also may accept one-time projects at an hourly rate rather than an asset based annual rate. A client may engage us for a one-time consulting project under which we will consult with the client but will not provide monitoring, performance reporting, or other ongoing services. Fixed fees will vary according to the type of engagement. Hourly rates range up to \$350 per hour. Fees for our services may be negotiable under certain circumstances and therefore fees may vary from client to client.

Calculation of fees

- Fees are calculated on a quarterly basis.
- Fees are paid in advance with no option to pay fees after services are rendered.
- Fees are calculated using quarter-ending market values, including accrued interest and accrued dividends (with the exception of mutual funds). Quarter-ending values are defined as the valuation of the account as of market close on the last business day of the month.
- Transactions that occur prior to month-end but after market close on the last business day of the month (defined as market operating day) will not be reflected in month-end values.
- End-of-day closing security prices will be obtained from the custodian that holds your investment, unless we receive a price from Schwab Institutional, in which case the price will prevail, regardless of where the account is custodied. We believe that pricing differentials (between Schwab Institutional and other custodians) will be minimal, given the nature of the securities held.
- If your account is opened after the first day of a calendar quarter, the fee for such quarter shall be calculated proportionately with respect to the number of days left in such quarter and based on the market value of the account as of the effective date of your investment advisory agreement with us.
- If your account has a start date that falls within two weeks of the quarter-end, it will be billed at the start of the next quarter based on the month-end value.
- If this agreement is terminated by notification from the client prior to the last day of a calendar quarter, a pro-rata portion, based upon the days remaining in such quarter, of the quarterly fee paid in advance will be refunded to the client.
- We submit a Management Fee Invoice to your custodian for each account on or after the first day of the quarter or account start date for which services are rendered, and the custodian shall deduct this fee amount from the client's account. Conversely, rebates due to terminated accounts are paid to the custodian who then credits your terminated account.

- If you move funds from one of our strategies to an alternative one managed by us (even if the alternative is a new strategy), your initial strategy will not be rebated fees for remaining time left in the quarter, unless the initiating account is closed in conjunction with this move. Similarly, nor will the new strategy be charged fees for the remaining time left in the quarter, unless the previous account has been closed, and the fees have been rebated back to the client for that closed account.

Other Fees for Discretionary Services

Clients will be responsible for other fees and expenses that may apply to the management of their account or custody of their assets. Additional fees and expenses may be charged for services that may include the following:

- Operational fees (including all mutual fund fees and expenses)
- Transaction/ticket and brokerage fees (commissions)
- Clearing and custodial fees

Other Fees Non-Discretionary Services

Clients will be responsible for other charges that may apply to the management of their account or custody of their assets. Additional fees may be charged for services that include the following:

- Investment Management Services of External Investment Advisors
- Operational fees (including mutual funds expenses)
- Transaction/ticket and brokerage fees (commissions)
- Clearing and custodial Fees

We and our supervised persons do not receive fees or compensation for the sales of securities or other investment products. We and our supervised persons do not receive asset based sales charges or services fees in connection with the sales of mutual funds or other securities.

- We generally recommend no-load funds or funds that we can purchase at NAV (Net Asset Value). We may recommend a mutual fund for which we are also an adviser, but will not charge an advisory fee twice. Similar services that we provide to clients may have higher or lower fees. The difference in fees between our separately managed accounts and proprietary mutual fund can be a conflict of interest as there are pros and cons to using each type of investment. Determinative factors include:

- Due to the asset size of the Jones Villalta Opportunity Fund, ticket charges are generally less than those incurred for separate accounts.
 - The management fee for the Jones Villalta Opportunity Fund may be more or the same as the management fee for clients utilizing our separate accounts. Fee schedules for our separate accounts can be less than the mutual fund fees due to the amount of assets in a separate account as noted above in response to **Item 5**.
 - The amount of the investable assets is also a determinative factor. Our mutual fund has a minimum investment requirement of \$1,000. Separately managed accounts require a much greater investment, in order to purchase the individual securities that mirror those in our fund.
- Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us. We are not affiliated with a broker dealer. However, we have invested in the interface structure for Charles Schwab (“Schwab”) as noted below in response to **Item 12**. Our clients may direct us to execute securities transactions through broker dealers other than Schwab. In such cases, if the client negotiates applicable commissions and rate or fees with such broker-dealers, the client may pay higher or lower transaction costs or fees than if the transactions were effected through Schwab.
 - We do not charge commissions or mark-ups. We do not receive commissions or mark ups from the sales of mutual funds. We only charge advisory fees. Our revenue results are from the fees charged for assets under management, the advisory fees from our mutual fund, and consulting fees.

ITEM 6 – PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

This section does not apply to us because we do not engage in performance-based fees or side-by-side management.

ITEM 7 – TYPES OF CLIENTS

Our clients may include:

- Individuals
- Trusts
- Estates
- Charitable foundations and endowments
- Pension and profit sharing plans
- Corporations
- Limited partnerships*
- Investment companies (mutual funds)
- Other business entities

*With regard to the assets that we manage for limited partnerships, we believe these partnerships to be used for estate planning purposes by families and consider the family as the ultimate client in these situations. We do not serve as a general partner for any of these partnerships, nor do we hold an interest in any of these partnerships.

To open an account, the client must:

- Fill out an Investment Advisory Agreement and receive a copy of Form ADV Part 2A, formerly Form ADV Part II.
- Fill out the particular custodial applications (where the actual funds are held such as Schwab) because we are not a custodian.
- Provide information regarding the client's identity, occupation, financial circumstances, and investment objectives.
- If the client is using directed brokerage, then also fill out an addendum to the Investment Adviser Agreement as noted below in response to **Item 12**.
- There is no stated minimum account size. We determine this on a case-by-case basis.

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

Risk of Loss: Investing in securities involves risk of loss including the entire principal which clients should be prepared to bear. See below for additional risks involved with investing.

For all of our methods of analysis, the main sources of information that we use include:

- Financial newspapers
- Financial magazines
- Financial software
- Annual reports
- Prospectuses
- Filing with the Securities Exchange Commission
- Corporate rating services
- Research material provided by third parties
- Company press releases

Methods of Analysis for All of Our Discretionary Accounts (including the US Mid- to Large-Cap Portfolio and Concentrated US Mid- to Large-Cap Portfolio, the US High-Quality Fixed Income Strategy, the Discretionary Consulting Services).

- **Asset Allocation**

We use all available information supplied by the client to determine an appropriate allocation of the client's assets. The appropriateness of a given allocation will depend on the client's age, needs and tolerance for volatility. In the case of institutions, the institution's needs and tolerance for risk will be the primary determinants. We use a variety of quantitative methods in our research. However, in determining appropriate allocations, we seek to maximize a client's potential returns at various levels of risk. Volatility is generally defined as the potential for downward or upward movement in investment values. Often times it is represented by the statistical measure standard deviation. This is explained to the clients and the clients are generally supplied with several alternative allocations from which to choose, should a proposal be deemed unsuitable. We attempt to supply clients with the appropriate allocations that clients will be comfortable in experiencing as the markets fluctuate.

- **Risk Modeling**

We model client expected asset growth and volatility using various quantitative means in order to both educate clients and provide them with a basis for accepting various asset allocations. Risk modeling attempts to ensure that clients can seek to meet their needs with the assets that they have accumulated and the possible expected returns and possible expected losses that they have indirectly accepted through a selection of an appropriate allocation. Using possible expected returns and possible expected losses as well as recent history, clients may be able to determine if the risk that they are accepting, vis-à-vis the asset allocation, is appropriate for their needs and comfort.

- **Performance Reporting and On-going Due Diligence**

We monitor the assets that we recommend in our client's accounts on an ongoing basis using largely the same methods used in the identification of appropriate mutual funds noted below in **Mutual Fund Research**. In addition, we strive to provide clients with a rational and transparent report of the performance of their assets.

Specific Method of Analysis for US Mid- to Large-Cap Portfolio and Concentrated US Mid- to Large-Cap Portfolio

The security selection process for us begins with the largest 1,000 stocks trading in the domestic stock market. We screen the universe using a proprietary filter that seeks to identify stocks trading at a discount to their intrinsic value. This narrows the overall universe of 1,000 issues to a smaller list of approximately 150 purchase candidates. Prospective investments that fit our needs from a diversification and market-cap perspective are examined in detail, with the aim of avoiding behavioral pitfalls.

We also will incorporate various difficult to estimate assumptions into scenarios attempting to examine a range of values based on expectations and worst-case environments. Our investment team regularly assesses the likelihood that an economic, industry or firm specific environment will persist into the future. It is the firm's view that most analysts and money managers extrapolate long-term scenarios from short-term events which is a behavioral bias that is very common in professional and non-professional analysis.

We also evaluate the securities subjectively by looking at the underlying the company, the management actions and strategy together with our quantitative assessments described above. In our more detailed analysis of each security, the firm's process is more encompassing and not dependent upon one or more factors. We believe the short-term growth rate assumption is likely the factor most subject to estimation error. We make determinations as to whether the company is subject to an inordinate amount of over-optimism or over-pessimism. This is the crux of our portfolio management.

For our US Mid- to Large-Cap Portfolio, the firm targets a portfolio of between 30 and 35 stocks. In order to maintain the "flavor" of a mid- to large-cap exposure within a diversified asset allocation, the firm has determined that it will invest portfolios in a disciplined manner. While we are aware of the benefits of diversification, no top-down rules apply to sector or industry weights. The firm will attempt to identify issues that seek to complement others within the portfolio – but any decision weighs the return expectation of a given holding, against

its strengths or weaknesses from a diversification standpoint. We also manage The Jones Villalta Opportunity Fund using the same strategy as the US Mid- to Large-Cap Portfolio strategy above.

For our Concentrated US Mid- to Large-Cap Portfolio, the firm targets a portfolio of between 10 and 20 stocks. The Concentrated US Mid- to Large-Cap Portfolio is not a diversified portfolio, as the name would suggest. No top-down rules apply to capitalization, sector or industry weights. The firm will attempt to identify issues that will complement others within the portfolio – but any decision weighs the return expectation of a given holding, against its strengths or weaknesses from a diversification standpoint.

Specific Method of Analysis for US High-Quality Fixed Income Strategy

For investors who prefer to take a more conservative approach or to meet client needs for liquidity or diversification, we offer a US High-Quality Bond Portfolio. Importantly, we view bond portfolios as a source of stability and liquidity. In short, we view our fixed income portfolios as a source of funds to be drawn upon for distribution needs or as a source of capital for re-balancing purposes, in the event of a sharp market downturn. We believe that the more one strives to achieve above average returns in their bond portfolios, the more one's portfolio takes on the characteristics of an equity portfolio.

Our bond portfolios contain only investment-grade bonds and are managed in a prudent fashion. Our Bond Portfolios are best described by what they are not:

- They do not invest in junk bonds.
- They do not invest in derivative securities (other than, at times, zero-coupon treasury bonds).
- They do not invest in esoteric, mortgage-backed securities.
- They are not concentrated in any particular sector or on any maturity term.

It is our belief that cautious, straightforward investments offer a counterbalance to the volatility of the equity markets.

Specific Method of Analysis for Discretionary Consulting Services

Our discretionary Consulting Services include Mutual Fund Research. We provide full service to clients, and therefore we are able to research, recommend and monitor a client's assets and allocation on an on-going basis.

- **Mutual Fund Research**

For clients who may not have enough investable assets for a separately managed account or to compliment an asset allocation, we offer mutual fund consulting services. We use various quantitative and qualitative measures in an attempt to identify mutual funds that may outperform peers and benchmarks over longer time horizons. Quantitative tools include “style analysis” using a least-squares method developed by William Sharpe, and other proprietary tools that examine rolling absolute returns as well as risk-adjusted and down-market returns. Quantitative analysis relies on the composite performance of money managers and mutual funds that report such information. Qualitative analysis focuses on those factors that are largely subjective. The money manager’s and the mutual fund manager’s tenure, experience and background are paramount factors. In addition, the firm’s legal and compliance record is examined, as well as other non-quantifiable factors, which are obtained through questionnaires, interviews and other sources.

Method of Analysis for Non-Discretionary Consulting Services

- **Asset Allocation**

We use all available information supplied by the client to determine an appropriate allocation of the client’s assets. The appropriateness of a given allocation will depend on the client’s age, needs and tolerance for volatility. In the case of institutions, the institution’s needs and tolerance for risk will be the primary determinants. We use a variety of quantitative methods in our research. However, in determining appropriate allocations, we seek to maximize a client’s potential returns at various levels of risk. Volatility is generally defined as the potential for downward or upward movement in investment values. Often times, it is represented by the statistical measured standard deviation. This is explained to the clients and the clients are generally supplied with several alternative allocations from which to choose, should a proposal be deemed unsuitable. We attempt to supply clients with the appropriate allocations that clients will be comfortable in experiencing as the markets fluctuate.

- **Risk Modeling**

We model client’s expected asset growth and volatility using various quantitative means in order to educate clients and provide them with a basis for accepting various asset allocations. Risk modeling attempts to ensure that clients can seek to meet their needs with the assets that they have accumulated and the possible expected returns and possible expected losses that they have indirectly accepted through a selection of an appropriate allocation. Using possible expected returns and possible expected losses as well as recent history, clients may be able to determine if the risk that they are accepting, vis-à-vis the asset allocation, is appropriate for

their needs and comfort.

- **Mutual Fund Research**

For clients who prefer the use of mutual funds or who do not have enough investable assets for a separately managed account or wish to complement an allocation, we offer mutual fund consulting services. We use various quantitative and qualitative measures in an attempt to identify mutual funds that may outperform peers and benchmarks over longer time horizons. Quantitative tools include “style analysis” using a least-squares method developed by William Sharpe, and other proprietary tools that examine rolling absolute returns as well as risk-adjusted and down-market returns.

Quantitative analysis relies on the composite performance of money managers and mutual funds that report such information. Qualitative analysis focuses on those factors that are largely subjective. The money manager or mutual fund manager’s tenure, experience and background are paramount factors. In addition, the firm’s legal and compliance record is examined, as well as other non-quantifiable factors, which are obtained through questionnaires, interviews and other sources.

- **Performance Reporting and On-going Due Diligence**

We monitor assets that we recommend in our client’s accounts on an ongoing basis using largely the same methods used in the identification of appropriate mutual funds described above. In addition, we strive to provide clients with a rational and transparent report of the performance.

Risk of Loss

The following risk disclosures apply to all of the investment strategies outlined above.

- **Investment Risk.** Investing in securities involves risk of loss including the entire principal which clients should be prepared to bear.
- **Market Risk.** The prices of securities may decline in response to certain events taking place around the world, including those directly involving companies in which we have invested, conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest and commodity price fluctuations.
- **Value Risk.** At times, we may invest in companies that appear to be growth-oriented

companies. If our perceptions of the company's growth potential are wrong, the securities purchased may not perform as expected, causing losses that will reduce investment returns. In addition, growth oriented securities will typically have more risk of downward price movements. If the market perceives such risk as being greater than we expected because of the company's performance or otherwise, your returns could be adversely affected.

- **Turnover Risk.** Strategies involving frequent trading can affect investment performance, particularly through increased capital gains taxes, increased brokerage and other transaction costs. Turnover also occurs when you make significant increases or decreases to the asset levels of your investment.
- **Management Risk.** Our skill in choosing appropriate investments will play a large part in determining whether you are able to achieve your investment objectives. If our assessment of the individual securities is incorrect, it could result in significant loss.
- **Company Risk.** The value of your investment may decrease in response to the activities and financial prospects of an individual company in your investment. The value of an individual company can be more volatile than the market as a whole.
- **Investment Company Securities Risk.** When we recommend an investment in another investment company, such as an open-end mutual fund or an exchange-traded fund ("ETF"), your investment will indirectly bear its proportionate share of any fees and expenses payable directly by the other investment company. The investment may incur higher expenses which also may be duplicative. The investment may be affected by losses of the underlying funds and the level of risk arising from the investment practices of the underlying funds. We have no control over the investments and related risks taken by the underlying funds in which we invest.
- **Foreign Securities Risk.** To the extent that we invest in foreign securities or mutual funds containing foreign securities, the investment may experience more rapid and extreme changes in value than when investing in securities of U.S. companies. Foreign issuers are not subject to the same degree of regulation as U. S. issuers. Also, nationalization, exchange rate changes, expropriation or confiscatory taxation or political changes could adversely affect the value of your investment in a foreign company. ADRs (American Depositary Receipts) do not eliminate all of the risks associated with direct investment in securities of foreign issuers. The risks of foreign investing are of greater concern in the case of investments in companies located in emerging markets, which may exhibit greater price volatility and have less liquidity.

- **Diversification Risk.** Diversification of assets in your investment portfolio or mutual fund does not always ensure a profit or guarantee against loss. It can be a way to seek to reduce risk by investing in a variety of assets based on the assumption that the value of securities shall not all increase or decrease at the same time. It is a mechanism that seeks to reduce risk, but can reduce gains too.

- **Asset Allocation.** Investing in a particular amount or percentage of assets, does not always ensure a profit or guarantee against loss. It can be a way to seek to reduce risk by investing in a variety of assets based on the assumption that the value of securities may not all increase or decrease at the same time. It is a mechanism that seeks to reduce risk, but can reduce gains too.

In addition to the risk disclosure referred to above:

For the US Mid- to Large-Cap Portfolio and Concentrated US Mid- to Large-Cap Portfolio, there are additional specific risks associated with those investments listed below:

- **Mid-Cap Investment Risk.** Mid-cap investing involves greater risk not associated with investing in more established companies, such as greater price volatility, business risk, less liquidity and increased competitive threat.

- **Small-Cap and Micro-Cap Investment Risk.** To the extent that we invest in companies or mutual funds containing companies that may be reclassified as a small- or micro-cap security after our initial purchase, small-cap and micro-cap investing involves greater risk not associated with investing in more established companies, such as greater price volatility, business risk, less liquidity and increased competitive threat.

For the US High Quality Fixed Income Strategy, there are the additional specific risks associated with bonds / fixed income instruments listed below:

- **Credit Risk.** It is the possibility that the bond issuer will not be able to make expected interest rate payments and/or principal repayment, which could result in a default of the interest payment and/or the principal value of the bonds. Credit risk is also the negative perceptions of the issuer's ability to make such payments that cause the price of the bond to decline.

- **Interest Rate Risk.** If interest rates rise, the market value of the bond will decline. This is less

of an issue if the investor can hold the bond until it matures. In order to sell a bond in a market of rising interest rates, you may lose money on the face value of the bond.

- **Liquidity Risk.** This refers to the marketability of the bond or the ability to sell the bond. Certain issues may be less marketable than others. In order to sell a less marketable bond, you may lose value on the face value of the bond or may not be able to find a purchaser for the bond and cannot sell it.
- **Inflationary Risk.** This refers to the risk that the inflation rate may be higher than the interest rate on the bond. If the inflation rate is higher or becomes higher than the interest rate, the principal amount of the underlying bond may be worth less upon maturity.

ITEM 9 - DISCIPLINARY INFORMATION

Jones Villalta Asset Management and its management persons have NOT been and are not currently the subject of any legal (criminal or civil), regulatory, disciplinary, or self-regulatory organization proceeding which they are required to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

SJCM is a related investment adviser due to its common ownership with us. SJCM is the manager of Jones Villalta. Our clients are not clients of SJCM, unless they also fill out an SJCM Investment Advisory Agreement and are given a copy of the SJCM Form ADV Part 2A, formerly ADV Part II. Conversely, SJCM's clients are not our clients unless they fill out a Jones Villalta Investment Advisory Agreement and receive a copy of our Form ADV Part 2A, formerly Form ADV Part II. SJCM and Jones Villalta are two separate Investment Advisers that provide investment advisory and consulting services. SJCM provides consulting services to its clients to assist them in the selection of third-party mutual funds and investment advisers via Lockwood, and consulting for asset allocation, risk modeling, mutual fund and investment adviser research. Jones Villalta provides its clients with separately managed accounts, consulting services on a discretionary and non-discretionary basis regarding asset allocation, risk modeling, mutual fund research and performance, and ongoing due diligence. Jones Villalta is also the manager to the Jones Villalta Opportunity Fund. This presents certain potential and actual conflicts of interest. Jones Villalta clients may pay higher or lower fees for similar services provided by SJCM. Similarly, SJCM clients may pay higher or lower fees for similar services provided by us. We share office space, employees and owners with SJCM. SJCM also serves as our manager.

We share the following employees with SJCM:

Stephen Jones - Chairman

Tom Villalta - President, Chief Investment Officer and Chief Compliance Officer

Alyson Gomez - Vice President

Catherine Sansbury - General Counsel

Annie Boehnke - Associate

All employees of both SJCM and Jones Villalta are subject to each firm's Investment Advisers Policies and Procedures, Code of Ethics & Standards of Professional Conduct, and Personal Trading Policies, which seek to minimize the conflict of interests presented by the sharing described above.

The Jones Villalta Opportunity Fund managed by us is not available to SJCM's clients on the Lockwood platform and is not recommended to them. Thus, we do not believe this poses a conflict of interest.

Stephen Jones, our Chairman, is on the Board of Directors, the Treasurer and a shareholder via a trust to The First National Bank (the "Bank") located in Albany, Texas. Shareholders via trusts of the Bank are also our clients indirectly through trusts. This presents certain potential and actual conflicts of interest. Mr. Jones is subject to our Investment Adviser Policies and Procedures, Code of Ethics & Standards of Professional Conduct, and Personal Trading Policies which seek to minimize the conflict of interests presented.

Our employee, Catherine Sansbury, is an attorney and our general counsel. She performs various administrative and legal services for us. She is our in-house counsel and does not represent other clients, except for SJCM. She is subject to each firm's Investment Advisers Policies and Procedures, Code of Ethics & Standards of Professional Conduct, and Personal Trading Policies which seek to minimize the conflict of interests presented.

Furthermore, there is no relationship or arrangement that is material to our advisory business or to our clients that our management persons and we have with: a related insurance company or agency, a related pension consultant, a related real estate broker or dealer, a related sponsor or syndicator of limited partnerships, related broker dealer, municipal securities dealer, or government securities dealer or broker, a related futures commission merchant, commodity pool operator, or commodity-trading adviser, and a related accountant or accounting firm. Neither Jones Villalta nor any of our management persons are registered, or have an application pending to register, as a broker dealer or registered representative of a

broker dealer. Neither Jones Villalta nor any of our management persons nor our associated persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

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

Code of Ethics

We have elected to adopt the CFA Institute's Asset Manager Code of Professional Conduct pursuant to SEC rule 204A-1. This Code includes fundamental principles of conduct, including the responsibility to act in a professional and ethical manner at all times; act for the benefit of clients; act with independence and objectivity; act with skill, competence and diligence; communicate with clients in a timely and accurate manner; and to uphold the rules governing capital markets. A complete copy of our Code of Ethics is available upon request.

Participation or Interest in Client Transactions

Jones Villalta and our related persons have a financial interest in certain mutual funds that may be recommended to our advisory clients as an investment. While they will not receive any direct compensation for these recommendations, some of these related persons could receive the indirect benefit of possible lower costs due to greater shareholders, as they too are shareholders of the fund.

We may recommend that an investment be made in our proprietary Fund for which we act as its investment adviser and receive fees for this service. In accordance with applicable law, we will waive our fee with respect to the portion of client assets so invested so as not to double dip as stated above.

Personal Trading

We have adopted a Personal Securities Transactions Policy and a copy of it is available on request.

- Our employees may buy or sell for their own accounts publicly traded securities, which we buy for client accounts or recommend to clients.
- It is our policy that trades for employees of the firm may only occur simultaneously with or after trades are placed for clients in the same security.

- Employees must obtain pre-trade approval for any trades to be entered and can only trade in securities two business days after trades are placed for the firm's clients (if not simultaneously).
- No employee of the firm may knowingly purchase securities from a client or sell securities to a client.
- Employees' brokerage statements are reviewed on a regular basis to determine employees' compliance with our personal trading policies.

Privacy Policy

We have adopted a Privacy Policy and a copy of it is available on request.

ITEM 12 - BROKERAGE PRACTICES

We are independently owned, operated and not affiliated with any broker dealers. However, we currently may suggest that our clients establish accounts with Charles Schwab ("Schwab").

JVAM, as a matter of policy and practice, does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

Our recommendations to use Schwab are not based upon any remuneration received from this firm, but rather upon our evaluation of the following factors:

- The range and quality of the products the broker offers,
- The technical support the broker provides,
- The broker's execution capability,
- The commissions to be paid,
- The financial responsibility of the broker, and
- Responsiveness of the broker to us.

We have invested in a data interface in order to facilitate the flow of data between this broker and our system. We are not compensated for recommending this brokerage firm, but there is an incentive of quality control for Jones Villalta to invest in the interface. We also receive compliance and legal updates from Schwab that may be used for the benefit of all of our clients. We also may have access to other research from them which we do not utilize. We always act in our clients' best interests based on the availability of products and services and

not solely on the nature, cost or quality of services provided by broker-custodians.

Our client's typically use Schwab. As a result, our clients may pay higher or lower transaction fees than if the transactions were effected through a different broker.

We aggregate trades when we have the opportunity to do so. For example, if a position is being added or removed from a portfolio or strategy, all shares will be traded together so that each individual account will receive the same pricing for the security. In these cases clients will receive an average share price, and transaction costs will be shared equally on a pro rata basis. This may help to provide better execution and eradicates the possibility of favoring one account over another in accordance with our fiduciary responsibilities.

Neither Jones Villalta nor any related person receives client referrals from a broker dealer or third party.

Our clients may direct us to execute securities transactions through broker dealers other than Schwab (directed brokerage). In such cases, if the client negotiates applicable commissions and rates or fees with such broker-dealers, the client may pay higher or lower transactions costs or fees than if the transactions were effected through Schwab.

With respect to securities brokers, it will typically be more economical to trade securities at the brokerage firm where assets are held, rather than "away" at a third party. However, when we believe that trades can be done more economically (based upon execution or commissions – less deliver-in fees) we will do trades "away" from the broker-custodian where the account is held.

While we generally maintain the authority to determine the broker or dealer to be used in making trades in client accounts (and as a consequence we determine the commission rates to be paid on such trades), we do allow clients to direct brokerage and set specific commission rates so long as the client signs our "Directed Brokerage Addendum" to our client contract. This addendum contains the following language:

"Clients who direct Jones Villalta Asset Management, LLC ("JVAM") to use a particular broker-dealer should be aware that they may not receive benefits available to other clients of JVAM who do not direct brokerage. For instance, JVAM may not be able to, or may not attempt to, negotiate commission rates for clients who direct brokerage, which means that clients who direct brokerage may pay higher commission rates than

other clients of JVAM. Additionally, JVAM may not negotiate other favorable terms, such as volume discounts on batched orders and best trade execution, for clients who direct brokerage. Clients who opt to direct brokerage will assume responsibility for negotiating their commission and trade execution arrangements with the brokerage firm.”

When our client holdings are held with different broker/ custodians, a rotation schedule will be utilized to ensure no particular client or group of clients are being favored or disfavored over any other clients. In order to limit favoritism within a group of accounts at a broker-custodian, Jones Villalta will, when sensible, *bunch* or *block* orders for execution at the same time. This ensures that all clients within the group receive the same price.

We do not currently allow clients to determine the amount of securities to be bought or sold, and retain all authority to make such a determination. However, we do allow clients to restrict the purchase of specific securities, so long as such restrictions are reasonable and not pervasive. In these cases, clients must provide a full description of the security and either the ticker symbol or the CUSIP for said security to us in writing.

ITEM 13 – REVIEW OF ACCOUNTS

Portfolios and our client’s holdings are reviewed on a weekly basis by Thomas E. Villalta, President and Chief Investment Officer or his designee Alyson Gomez, Vice President of Operations. The nature of the review may include the following factors:

- The appropriateness of the assets with regard to the client’s objectives
- The value of the assets
- The allocations are consistent with risk diversification and asset allocation
- Orders properly effected and allocated
- Transactions are consistent with the weekly activity

In addition, accounts are reviewed monthly with regard to performance. With regard to annual reviews, see our response above to **Item 4.**

Broad market movements (certain defined movements in the S&P 500 in a given day) in excess of 5% also may result in portfolio reviews. In addition, any individual securities moving plus/minus 10% in a day may result in a review of accounts. These extreme cases are in addition to the general review of accounts taking place on a weekly basis.

Reviews focus on determining if portfolios need to be re-balanced in order to meet self-imposed diversification constraints. In addition, as more extreme movements occur, portfolios are reviewed to determine if individual securities meet purchase or sale criteria, or if alternative stocks would offer more value.

We will provide clients with quarterly reports detailing their investment positions and a summary of their performance for various time periods. Clients will also receive statements and trade confirmations from their custodian on a periodic basis.

Shareholders in Jones Villalta Opportunity Fund receive quarterly statements, reports semi-annually and annually from Huntington Fund Services, formerly Unified Fund Services, Inc. as required by law.

ITEM 14 – CLIENT REFERRALS & OTHER COMPENSATION

We do not receive economic benefits (including sales awards or other prizes) from non-clients for providing investment advice or other advisory services to our clients.

We and our related persons do not have any arrangements in place to compensate, directly or indirectly, other parties or individuals for client referrals.

ITEM 15 – CUSTODY

Clients will receive account statements directly from their qualified custodian where their assets are held. We do not have custody of our client's accounts. Clients should carefully review the account statements they receive from their qualified custodian. Additionally, we provide our clients with quarterly reports detailing their investment positions. The following statement is included on reports which we provide to our clients:

“We urge you to carefully review the information included in this report to the information on the statements you receive directly from your account(s') custodian. Should you have any questions, please contact us.”

ITEM 16 – INVESTMENT DISCRETION

Our standard discretionary investment advisor agreement signed by our client provides us with written authority to make discretionary investments on behalf of our clients. This agreement contains a limited power of attorney. Similarly, the custodial account opening documentation signed by the client also provides us with discretionary authority. Conversely, for our non-discretionary clients we have a standard non-discretionary investment adviser agreement signed by our clients which does not provide us with such authority.

As noted above in response to **Item 12**, we do not currently allow clients to determine the amount of securities to be bought or sold, and retain all authority to make such a determination. However, we do allow clients to restrict the purchase of specific securities, so long as such restrictions are reasonable and not pervasive. In these cases, clients must provide in writing a full description of the security and either the ticker symbol or the CUSIP for said security.

ITEM 17 – VOTING CLIENT SECURITIES

We regularly vote proxies on behalf of our clients with discretionary accounts except for those accounts which invest in our proprietary mutual fund. Our policy for non-discretionary accounts is that these clients are responsible for voting their own proxies.

The standard by which we address proxy voting for our discretionary accounts is shareholder value. Those issues that we determine will detract from shareholder value are voted “no”, while those issues that we believe will enhance shareholder value are voted “yes”.

Since it can be difficult to determine if a given issue enhances, or detracts from, shareholders value, in general, it is our policy to vote with management (per their recommendation) unless a compelling case is made which will support a vote that contradicts management’s recommendation (in other words, shows that the issue will detract from shareholder value).

Voting Procedures

- The portfolio manager for our discretionary accounts will determine how we should vote the proxy (in accordance with applicable voting guidelines), complete the proxy and vote the proxy.
- We do not vote for securities in our non-discretionary accounts.

Voting Guidelines

- Our policy for discretionary accounts is to vote all proxies from a specific issuer the same way for each client.
- Clients may opt in or out of having us vote all their proxies by providing notice of such preference with the custodian and us.
- Clients are permitted to opt out of having us vote their proxies but they are unable to place restrictions on votes for particular securities on a case-by-case basis. We either vote all proxies or our clients vote them.
- We will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors.
- We will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.
- In reviewing proposals, we will consider the opinion of management, the effect on management, the effect on shareholder value and the issuer's business practices.
- We will keep a record of each vote we cast.

Conflicts of Interest

- We will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship between us and the issuer of each security to determine if we or any of our employees have any financial, business or personal relationship with the issuer.
- A conflict of interest will be considered material to the extent that it is determined that such conflict is likely to influence, or appear to influence; our decision-making in voting the proxy.
- If a material conflict of interest exists, the portfolio manager will determine whether it is appropriate to disclose the conflict to the affected clients, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.
- We will maintain a record of the voting resolution of any conflict of interest.

Clients may receive a copy of our proxy voting policies and procedures as well as our proxy

voting record upon request.

ITEM 18 – FINANCIAL INFORMATION

We do not require prepayment of fees that total more than \$1,200 per client, six or more months in advance.

There is not any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients.

We have not been the subjects of a bankruptcy petition at any time during the past 10 years.

Item 19 – Requirements for State-Registered Advisers

This does not apply to us because we are an SEC registered investment adviser.

ⁱ Jones Villalta Asset Management, LLC (Jones Villalta) is an affiliated investment adviser to Stephen Jones Capital Management, Inc. Jones Villalta is the adviser to the Jones Villalta Opportunity Fund (Fund).

The Fund is distributed by Unified Financial Securities, Inc. (Member FINRA).

Carefully consider the investment objectives, potential risks, management fees, and charges and expenses of the Fund before investing. The Fund's prospectus contains this and other information about the Fund, and should be read carefully before investing. You may obtain a current copy of the prospectus by calling 1 866-950-5863. Past performance is no guarantee of future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.