

Item 1 Cover Page

Firm Brochure

(Part 2A of Form ADV)

JSK ASSOCIATES INC.

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This brochure provides information about the qualifications and investment advisory business practices of JSK Associates Inc. If you have any questions about the contents of this brochure please contact us at 800-259-7130 and/or usha@investtowin.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about our investment advisory business is also available on the internet at www.adviserinfo.sec.gov. You can view our information on this website by searching for "JSK Associates Inc." by name or by using the Firm's CRD number. The CRD number for the Firm is **104955**.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 Material Changes

We have made material changes to our prior ADV Part 2A (“Brochure”) dated March 29, 2019. Please carefully review the following sections in which material changes have been made.

Item 4. Advisory Business

This section has been enhanced to better communicate the types of advisory services offered, and to prominently disclose material conflicts of interest.

Item 5. Fees and Compensation

This section has been enhanced to better describe the fees charged for Financial Planning Services and Investment Management Services, payment methods, other fees and expenses, termination provisions, refunds, and assignments, and to prominently disclose material conflicts of interest.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Section 8(B). Material Risks of Methods of Analysis/Strategies have been revised to clearly communicate the risks or disadvantages of both Fundamental Analysis and Technical Analysis.

Section 8(C). Material Risks of Securities have been revised to expand upon the risks associated with the types of securities in which the Firm provides advice.

Item 12. Brokerage Practices

This item has been substantially revised to better communicate the cost of brokerage services, including a detailed treatment of Class-C mutual funds in which we offer, and material conflicts of interest. Please carefully examine this Item and direct all questions to your representative at JSK Associates.

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Item 4 Advisory Business

4(A) Description of Advisory Firm

JSK Associates Inc. ("JSK" or "Firm") is an investment adviser registered with the Securities and Exchange Commission ("SEC") since November 1984. The Firm is incorporated under the laws of New York State. The principal owners are Mr. Jerome S. Keenan and Mr. Paul dos Santos, each owning 50% of the Firm. JSK provides fee-based investment advisory services. The "Description of Advisory Services" below provides more detailed information on these services.

4(B) Description of Advisory Services

Investment Management Services ("IMS") are the Firm's core offering. IMS clients receive Financial Planning Services ("FPS") at no additional charge. For this reason, JSK believes that their IMS offering presents the best value for clients that have a need for investment management and financial planning. Alternatively, clients that do not have a need or interest in the Firm's IMS offering, may engage JSK for FPS on a fee basis. Any combination of IMS and FPS (collectively, the "Services") are available to clients. A detailed description of the Services are covered in the sections that follow.

4(B)1 Investment Management Services

We provide investment management of client accounts which entails the ongoing supervision of their assets. This means we will continuously monitor client accounts, make recommendations, and execute transactions as appropriate. All transactions are executed on a **non-discretionary** basis.

Our investment management services are designed for high net-worth clients. We define high net-worth clients as those individuals with assets of at least \$200,000; excluding primary residence¹. Through this service, we offer a customized investment program for each client. Each client's investment program takes various factors into consideration, including investment objectives, risk tolerance, investment knowledge, net worth, income, and age. A specific investment strategy is crafted to focus on each client's specific goals and objectives.

As part of the investment management process, we generally recommend that clients establish an account at IES, an introducing broker-dealer² which clears and custodies all assets at Hilltop Securities Inc³. ("Hilltop"), a registered broker-dealer that acts as a clearing agent and qualified custodian. This represents a material conflict of interest in that IES and JSK are affiliated entities; both entities are wholly owned by Jerome S. Keenan and Paul dos Santos. For more information on material conflicts of interest, please refer to the following items: "Item 5 – Fees and Compensation", "Item 10 – Other Financial Industry Activities and Affiliations", and "Item 12 – Brokerage Practices".

4(C)1 Investment Management Services Tailored to the Individual Needs of Each Client

Our Investment Management Services are tailored to the specific needs of each client. We work closely with each client, utilizing various methods, including interviews and questionnaires to establish investment objectives and to understand risk tolerance. Clients may also impose investment restrictions on the accounts/assets in which we manage for you; including individual security selection or sectors in which to invest or avoid making an investment.

¹ Note, JSK has a different definition of "high net worth client" than how it is categorized and defined in the general instructions to Part 1A of Form ADV "Item 5 - Information About Your Advisory Business".

² An introducing broker-dealer ("IB") accepts client orders but does not custody client assets, instead an IB will have an agreement with a clearing broker-dealer which handles payment and settlement of all transactions; and maintains custody of client assets.

³ Neither JSK nor IES are affiliated with Hilltop Securities.

We generally limit the advice we provide to the following types of securities and insurance products:

- **Mutual Funds**
- **Exchange-Traded Funds**
- **Equity Securities**
- **International or Foreign securities**
- **Fixed income securities**
- **Certificates of deposit**
- **Variable life insurance**
- **Variable annuities**
- **US Treasury Securities (i.e., T-Bills, T-Notes, T-Bonds)**

Investment Management Services, Active Management, and Changes to Portfolio Allocations

Active management of client accounts/assets may require the Firm to adjust portfolio allocations with some frequency. The frequency of these changes is dependent on various factors which are not limited to market conditions, expectations, risk tolerance, and tax considerations. While we do not attempt to time the ups and downs of financial markets, there may be extended periods of time in which we hold relatively large percentages of client assets in cash equivalents in an attempt to reduce market exposure.

4(B)2 Financial Planning Services

JSK provides financial planning services. Financial planning focuses on the client's overall financial situation as opposed to the active management of client accounts/assets. Financial planning can be described as helping individuals determine and set long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of the financial planning process is to find ways to help the client understand their overall financial situation and assist the client in setting financial objectives.

Financial plans can be holistic in nature; covering the totality of a client situation or modular in nature; covering only selected topics agreed upon. Topics covered in a financial plan may include one or more of the following key areas:

- Identifying goals and risk tolerance
- Risk management
- Tax Planning
- Insurance Planning
- Retirement planning
- Estate Planning

Financial planning services generally recommend the implementation of the financial plan through the purchase and/or sale of securities and insurance products. JSK may recommend its Investment Management Services (see "4(B)2 – Investment Management Services") to implement part of its financial plan, or implementation of the financial plan through the purchase and/or sale of securities and insurance products by recommending and utilizing its affiliated broker-dealer and insurance agency, International Equity Services, Inc. ("IES"). This represents a material conflict of interest. For more information on material conflicts of interest, please refer to the following Items: "Item 5 – Fees and Compensation", "Item 10 – Other Financial Industry Activities and Affiliations", and "Item 12 – Brokerage Practices".

4(C)2 Financial Planning Services Tailored to the Individual Needs of Each Client

By its very nature, all financial planning services are tailored to the specific needs of each client.

4(D) Wrap Fee Programs

JSK is not a participant in a wrap fee program, nor does the Firm offer any wrap fee programs.

4(E) Assets Under Management

The amount of client assets managed by JSK totaled \$70,742,773 as of September 16, 2019. The entire portion is managed on a non-discretionary basis (see Item 16 - Investment Discretion for more information).

Item 5 Fees and Compensation

5(A)1 Description of Fees for Investment Management Services

Our fee structure is calculated based upon the value of assets under management ("AUM"). AUM is based on the account value of each account. **Lower fees for comparable services may be available from other investment advisers. Fees for related accounts may be negotiable for purposes of calculating assets under management and the associated fee.** The exact fee and services agreed upon is described in your investment management agreement.

Assets Under Management	Annualized Fee
Up to \$5 million	1.50%
More than \$5 million	1.00%

Note, the "Annualized Fee" excludes brokerage costs such as commissions, markups, markdowns, ticket charges and underlying mutual fund expenses.

Generally, the Firm will recommend the purchase of mutual funds as part of its IMS. When purchasing mutual funds as part of the IMS, effectively clients are subject to two (2) layers of fees: 1) Direct advisory fee a disclosed in the table above, and 2) Indirect advisory fee (that is, the advisory fee paid by the mutual fund to the adviser of the mutual fund. For a detailed treatment of brokerage costs, please carefully review "Item 12 Brokerage Practices". Furthermore, the Firm's affiliated broker-dealer, IES will disclose all brokerage costs prior to purchase and/or sale of mutual funds or other securities for your account.

5(B)1 Payment Methods

Fees for Investment Management Services are deducted on a quarterly basis. Fees are deducted at the end of each calendar quarter based upon the market value of the client's account on the last business day of the quarter. These fees are payable in arrears.

When utilizing the Firm's qualified custodian, Hilltop; fees are deducted directly from client accounts. JSK then sends a copy of the invoice or statement to the client. All clients are urged to compare the invoice or statement from Hilltop to the invoice or statement from JSK for any discrepancies. Should there be any discrepancies, please contact JSK immediately to resolve this issue. The invoice or statement provided by Hilltop Securities is the official statement or invoice.

Should the client choose a qualified custodian other than Hilltop, fees may not be able to be directly deducted from client accounts, instead client will be invoiced or billed the amount of the fee. Please contact JSK for further details.

5(C)1 Other Fees and Expenses

In connection with Investment Management Services, implementation will include the purchase and sale of securities. Implementation will incur additional costs such as custodial fees and brokerage fees which prospective clients should carefully review. Furthermore, JSK recommends the use of its affiliated broker-dealer, IES; this represents a material conflict of interest. Furthermore, Investment Management Services generally recommend the purchase of Class-C Mutual Funds which are executed through its affiliated broker-dealer, IES. Please refer to “Item 12 – Brokerage Practices” for more complete information.

5(D)2 Termination Provisions, Refunds and Assignments

Prior to providing investment management services, the client will be required to enter into a written investment advisory agreement, which sets forth the terms and conditions of the engagement; and describes the scope of services to be provided. Each client agreement is ongoing and may be cancelled by the client for any reason upon receipt of written notice. Since client fees are payable in arrears at the end of each calendar quarter, the fee earned by JSK will be calculated on a pro-rata basis; and the assets will be valued on the date the business day prior to the termination notice being received. Neither JSK nor the client may assign the agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of JSK shall not be deemed an assignment.

5(A)1 Fees for Financial Planning Services

Financial planning services are offered at an hourly rate or a flat fee for creation of a financial plan. JSK charges an hourly rate is \$350, or charges a flat fee based upon the estimated number of hours for plan completion. Lower fees for comparable services may be available from other investment advisers or financial planners. Financial planning fees are negotiable. The exact fees and services agreed upon will be described in your investment management agreement.

Financial Planning Maintenance

Any follow up reports or materials needed within the first 12 months are included at no additional charge. However, following the first 12 months, the same fee structures are applicable (i.e., hourly financial planning, flat fee financial planning). It is our philosophy that financial plans should be reviewed and updated on an annual basis, or sooner if there is a change to a client’s investment objectives, risk tolerance or financial situation.

5(B)1 Payment Methods

Generally, clients are invoiced monthly in arrears for financial planning services performed on an hourly basis. When entering into a flat fee arrangement for a financial plan, we generally require a 50% upfront deposit with the remaining balance due upon completion of the financial plan.

5(C)1 Other Fees and Expenses

Financial planning services generally recommend the implementation of the financial plan through the purchase and/or sale of securities and insurance products. Implementation of a financial plan will incur additional costs such as custodian fees and brokerage fees which prospective clients should carefully review. Furthermore, JSK recommends the use of its affiliated broker-dealer, IES; this represents a material conflict of interest. Please refer to “Item 12 – Brokerage Practices” for more complete information.

5(D)1 Termination Provisions, Refunds and Assignments

Prior to initiating financial planning services, the client will be required to enter into a written investment advisory agreement, which sets forth the terms and conditions of the engagement; and describes the scope of services provided. The agreement may be ongoing (in the case of hourly financial planning) and

may be terminated by the Client or JSK by providing written notice as detailed in the advisory agreement. Upon receipt of the termination notice, JSK will remit any unused portion of the fee, if applicable.

5(E)1 and 5(E)2 Compensation from the Sale of Securities and Other Investment Products

1. In connection with JSK's Investment Management Services, the Firm will generally recommend the purchase of Class-C share mutual funds ("Class-C Shares") executed by its affiliated broker-dealer, IES. This means the Firm will generally not recommend no-load mutual funds or other share classes which may have a lower cost⁴; this represents a material conflict of interest.

Financial Planning Services generally recommend the implementation of the financial plan through the purchase and/or sale of securities and insurance products. For purposes of implementation, the Firm will recommend the use of its affiliated broker-dealer and insurance agency, IES; this represents a material conflict of interest.

The material conflicts of interest arise in that Mr. Keenan and Mr. dos Santos (collectively, the "Principal Owners") each own 50% of JSK and IES. The Principal Owners have an incentive to recommend Class-C Shares as they profit directly from these purchases. JSK addresses this conflict through full disclosure, both in the form of one or more written acknowledgements and disclosures, and verbally during client meetings.

2. Clients entering into an Investment Management Services agreement with JSK should be aware that other investment advisers offer lower cost mutual fund alternatives. Clients that do not want to purchase Class-C Shares, should evaluate investment management services offered by other investment advisers prior to entering into an investment management agreement with the Firm.

Clients implementing a financial plan through JSK should be aware that lower cost securities and insurance products may be available. Clients are not obligated to implement a financial plan through JSK's affiliated broker-dealer and insurance agency, IES. Clients may evaluate alternative means of implementing their financial plans by reviewing offerings by other broker-dealers.

3. When the Firm recommends the purchase or sale of securities or insurance products through either its Financial Planning Services or Investment Management Services; Mr. Keenan and Mr. dos Santos may receive up to three different forms of compensation: 1. Investment Advisory Fees (e.g., financial planning fees and or investment management fees); 2. Securities-based compensation (commissions, markups, or markdowns from the execution of stocks or bonds, asset-based distribution fees or trailer commissions from the purchase of mutual funds); 3. Insurance-based compensation (from the sale of insurance products). This means that 50% or more of the Principal Owners combined compensation may be earned from securities-based compensation and insurance-based compensation.
4. Investment Management Service fees ("IMS fees") and Financial Planning Service fees ("FPS fees") will be reduced by the amount of commissions paid or other transaction-based compensation received by IES in connection with IMS fees and FPS fees. Please direct any questions to JSK as this is addressed on a case-by-case basis.

⁴ Many factors go into determining lost cost, including but not limited to holding period, expense ratio, transaction fees, redemption fees, and breakpoints.

Item 6 Performance-Based Fees and Side-By-Side Management

The Firm does not charge or accept performance-based fees.

Item 7 Types of Clients

JSK generally provides investment advice to individual clients (high net worth and non-high net worth individuals), including trusts and estates. Generally, Investment Management Services requires both a net worth and account size of \$100,000 to open an account. However, at the discretion of JSK, the Firm may open accounts with both a net worth and account size of less than \$100,000.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

8(A) Methods of Analysis

Our Firm utilizes various strategies and factors in approach to investment analysis. We incorporate both fundamental and technical analysis into our decision-making process. Factors that we may also incorporate into our thinking are momentum, seasonality, and the geopolitical environment. Furthermore, when we believe the market has potential for a sharp decline, we may decide to shift a large percentage of client assets to cash or cash equivalents.

Fundamental Analysis

This is a method of evaluating a company or security by attempting to measure its intrinsic value. It is a way of trying to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., growth rate, machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). It involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., dividends, company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing Fundamental Analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy; overpriced = sell or short). This method of security analysis is generally considered to be the opposite of technical analysis. Fundamental Analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

An important sub-category of Fundamental analysis is Cyclical Analysis which is used to analyze the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. One of the most important cyclical considerations is whether the economy is being subjected primarily to inflationary or deflationary forces. This consideration influences JSK's asset allocation selections, many of which are sector plays that perform based on whether inflationary or deflationary forces are dominant.

Stocks of individual companies tend to move based on cyclical factors as well. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks attempt to make the largest gains by

buying the stock at the bottom of a business cycle, just before a turnaround begins.

While many economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may turn out to be a trade that occurs before or after the bottom of the cycle. If a trade is executed before the bottom, then downside price action may result prior to any gains. If a trade is executed after the bottom, then some upside price action may be missed. Similarly, a sell decision aimed to be executed at the top of a cycle may result in a missed opportunity.

Technical Analysis

In addition to Fundamental and Cyclical Analysis, our Firm may use Technical and Charting Methods to determine the timing for trading securities; and fine-tuning our recommendations. Technical Analysis is a method of evaluating securities by reviewing statistics generated from market activity, such as past prices and volume. Technical Analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical Analysts believe that the historical movements of stocks and markets are indications of future movements.

Charting is a technique in Technical Analysis in which price movements, volume, settlement prices, and other indicators are used in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Momentum Investing Strategy

This strategy is generally thought of as a subset of Technical Analysis. Momentum investing is a strategy to capitalize on the continuance of an existing market trend. It involves the purchase of securities that are in an upward trend or are performing well; and selling those securities which are in a downward trend or are performing poorly. Momentum investing holds that trends can persist for some time, and it's possible to profit by staying with a trend until its conclusion.

Seasonality Strategy

The goal of a seasonality strategy is to take advantage of the seasonal patterns of the markets by increasing allocations to certain asset classes or securities during "strong seasons" and reducing allocations to certain asset classes or securities during "weak seasons".

Geopolitical Factors and Investing

Geopolitical economics is primarily a form of macroeconomic analysis that considers "geopolitical" forces and factors. Geography and control over all types of resources are not only shaping the political process and foreign policy, but increasingly the economy and financial markets. Geopolitical investing seeks to take advantage of these factors and forces which impact financial markets and asset classes worldwide.

Cash and Cash Equivalents in Anticipation of a Market Decline

When we anticipate that the market is heading for a sharp decline, we may shift large percentages of client assets to cash or cash equivalents. While this strategy is designed to protect client assets, this may be difficult to time; and the market may continue to increase.

JSK's approach to investing seeks to employ the various methods reviewed simultaneously. In our view, risk may be minimized when the same conclusion may be arrived at utilizing various methods of analysis. **However, investing in securities always involves risk of loss that clients should be prepared to bear. Please see Item 8(C) Material Risks of Methods of Analysis/Strategies.**

8(A) Investment Strategies

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizon. The strategies are as follows:

- **Long-term purchases**

We purchase securities with the idea of holding them in the client's account for one year or longer. Typically, we employ this strategy when we believe the securities to be undervalued, and/or we would like exposure to a particular security or asset class over time.

- **Short-term purchases**

When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time period; usually less than one year. We do this in attempt to take advantage of conditions that we believe will soon result in a price swing in the securities purchased. Short-term trading results in greater transaction costs and potential tax consequences.

8(B) Material Risks of Methods of Analysis/Strategies

Like all methods of analysis and strategies, both Fundamental Analysis and Technical Analysis have risks or disadvantages.

The disadvantages of Fundamental Analysis ("FA") include:

- **Vulnerability to wrong data, including assumptions**

FA is heavily based in fact. However, if a company incorrectly reports data or data is misinterpreted, an incorrect conclusion may be drawn

- **Overreliance on past data**

Perhaps the biggest knock against FA is how much weight its puts in a company's past performance. FA uses historical numbers to make an educated guess about the future.

- **Bad timing**

Assume our research has been completed, and we determine that a company is grossly undervalued. That company can remain undervalued for long periods of time (months or even years) until investors come to the same conclusion and drive the price of the stock upwards.

- **Positions contrary to the market**

We may purchase a stock because we think it is undervalued. Essentially, we are taking a position that is contrary thousands or millions of investors, many of which may be highly sophisticated investors with the same data.

The disadvantages of Technical Analysis ("TA") include:

- **Technical indicators' mixed signals**

In some cases, one of our technical indicators may show a buy signal and another indicator may show a sell signal. When attempting to make trading decisions, this can cause great confusion.

- **Accuracy**

TA is used to forecast prices of securities. Technical indicators provide possible entry and exit points. However, it is highly improbable that we will be able to purchase at the lowest entry point or sell at the highest exit point. This means that securities prices will usually move in the opposite direction after making a purchase or sale.

- **Open to interpretation**

When TA is utilized by two different analysts, two completely different opinions may ensue. This is because different data sets may provide vastly different interpretations.

8(C) Material Risks of Securities

- **Business Risk**

When purchasing equity securities or stocks, investors are purchasing a piece of ownership of a company. With a bond you are loaning money to a company. Returns from both of types of securities require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left which may be nothing.

- **Volatility Risk**

Even when companies are not in danger of failing, their stock price may fluctuate up or down. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such a faulty product, or by events the company has no control over, such as political or market events.

- **Inflation Risk**

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

- **Interest Rate Risk**

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower rate, you might have to sell it at a discount.

- **Liquidity Risk**

This refers to the risk that investors will not find a market for their securities, potentially preventing them from buying or selling when they want.

JSK provides investment advice on equity securities, fixed income securities (e.g., corporate bonds and government bonds), mutual funds, exchange-traded funds, and foreign securities. The following is an overview of the primary risks associated with each type of investment product offered by the Firm:

- **Equity Securities**

Equity Securities or stocks offer investors the greatest potential for growth (capital appreciation) over the long haul. Investors willing to stick with stocks over the long periods of time, generally have been rewarded with positive returns. However, stock prices move down as well as up. There's no guarantee that the company whose stock you hold will grow and do well, so you can lose money when you invest in stocks. If a company goes bankrupt and its assets are liquidated,

common stockholders are the last in line to share in the proceeds. The company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

- **Fixed Income Securities**

Bonds can provide a means of preserving capital and earning a predictable return. Bond investments provide steady streams of income from interest payments prior to maturity. However, as with any investment, bonds have risks. These risks include:

- Credit risk. The issuer may fail to timely make interest or principal payments and thus default on its bonds.
- Interest rate risk. Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher interest rate than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.
- Inflation risk. Inflation is a general upward movement in prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest.
- Liquidity risk. This refers to the risk that investors will not find a market for the bond, potentially preventing them from buying or selling when they want.
- Call risk. The possibility that a bond issuer retires a bond before its maturity date, something an issuer might do if interest rates decline, much like a homeowner might refinance a mortgage to benefit from lower interest rates.

- **Mutual Funds**

Mutual funds offer professional investment management and potential diversification. They also offer three ways to potentially earn returns: dividend payments, capital gain distributions, and increase in the net asset value (share price of the fund). However, all mutual funds carry some level of risk. With mutual funds, you may lose some or all of the money you invest because the securities held by the fund can go down in value. Dividends may also change as market conditions change. A fund's past performance is not as important as you might think because past performance does not predict future returns. But past performance can tell you how volatile or stable a fund has been over a period of time. The more volatile the fund, the higher the investment risk.

- **Exchange-Traded Funds**

Exchange-traded funds ("ETFs") are a type of exchange-traded investment product that is similar to mutual funds in certain ways, and in other ways very different. Like mutual funds, ETFs offer investors a way to pool their money in a fund that makes investments in stocks, bonds, or other assets and, in return, to receive an interest in that investment pool. Unlike mutual funds, however, ETF shares are traded on a national stock exchange and at market prices that may or may not be the same as the net asset value ("NAV"). However, ETFs are not mutual funds. Generally, ETFs combine features of a mutual funds with the intraday trading of equity securities or stocks. Unlike mutual fund shares, retail investors can only purchase and sell ETF shares in market transactions. That is, unlike mutual funds, ETFs do not sell individual shares directly to, or redeem their individual shares directly from, retail investors. Instead, ETF sponsors enter into

contractual relationships with one or more financial institutions known as “Authorized Participants”. Authorized Participants typically are large broker-dealers. Once Authorized Participants are permitted to purchase and redeem shares directly from the ETF, and they can do so only in large aggregations or blocks (e.g., 50,000 ETF shares) commonly called “Creation Units”.

Other investors purchase and sell ETF shares in market transactions at market prices. An ETF’s market price typically will be more or less than the fund’s NAV per share. This is because the ETF’s market price fluctuates during the trading day as a result of a variety of factors, including the underlying prices of the ETF’s assets and the demand for the ETF, while the ETF’s NAV is the value of the ETF’s assets minus its liabilities, as calculated by the ETF at the end of each business day.

ETFs are generally available in two different types. These types are as follows:

- **Index-Based ETFs**

Most ETFs trading in the marketplace are index-based ETFs. These ETFs seek to track a securities index like the Standard & Poor’s 500 Stock Index (“S&P 500”) and generally invest primarily in the component securities of the index. For example, the SPDR, or “spider” ETF, which seeks to track the S&P 500, invests in most or all of the equity securities contained in the S&P 500 stock index. Some, but not all, ETFs may post their holdings on their website on a daily basis.

- **Actively Managed ETFs**

Actively managed ETFs are not based on an index. Instead, they seek to achieve a stated investment objective by investing in a portfolio of stocks, bonds, and other assets. Unlike an index-based ETF, an adviser of an actively managed ETF may actively buy or sell components in the portfolio on a daily basis without regard to conformity with an index.

Before Investing in an ETF, you should read both its summary prospectus and its full prospectus, which provide detailed information on the ETF’s investment objective, principal investment strategies, risks, costs, and historical performance (if any). Please contact JSK for a copy of the ETF’s prospectus in which you are considering making an investment. Do not invest in something you do not understand.

- **International or Foreign Securities**

Investors in the United States have access to a wide selection of investment opportunities. These opportunities include international investments that give investors international exposure. The two main reasons individuals invest in international investments and investments with international exposure are:

- **Diversification** (spreading investment risk among foreign companies and markets in addition to U.S. companies and markets); and
- **Growth** (taking advantage of the potential for growth in some foreign economies, particularly in emerging markets).

International or foreign investment returns may move in a different direction, or at a different pace, than U.S. investment returns. In that case, including exposure to both domestic and foreign securities in a portfolio may reduce the risk that an investor will lose money if there is a drop in U.S. investment returns and a portfolio’s overall investment returns over time may have less

volatility. Keep in mind, though, that this is not always true and that with globalization, markets are increasingly intertwined across borders. While investing in any security requires careful consideration, international investing raises some special issues and risks. These include:

- **Access to different information**
In some jurisdictions, the information provided by foreign companies is different than information provided by U.S. companies.
 - **Costs of international investments**
International investing can be more expensive than investing in U.S. companies.
 - **Changes in currency exchange rates and currency controls**
A foreign investment also has foreign currency risk exchange risks. When the exchange rate between the foreign currency and the U.S. dollar changes, it can increase or reduce an investment return in a foreign security.
 - **Changes in market value**
All securities markets can experience dramatic changes in market value, whether foreign or domestic.
 - **Political, economic and social events**
Depending on the country or region, it can be more difficult for investors to obtain information about and comprehensively analyze all the political, economic and social factors that influence a particular foreign market.
 - **Different levels of liquidity**
Some foreign markets may have lower trading volumes for securities, or fewer listed companies than U.S. markets.
 - **Legal remedies**
Where investors purchase a security can affect whether they have, and where they can pursue, legal remedies against the foreign company or any other foreign-based entities involved in a transaction.
 - **Different market operations**
Foreign markets may operate differently from the major U.S. trading markets. For example, there may be different time periods for clearance and settlement of securities transactions.
- **Certificates of Deposit (CDs)**
Certificates of deposit (CDs) are time deposits. When you choose a CD, the bank accepts your deposit for a fixed term, and pays you interest until maturity. At the end of the term you can cash your CD for the principal plus the interest have earned or roll your account balance over to a new CD.
CDs are less liquid than savings accounts. You cannot withdrawal from them during the term. Instead, to buy a CD, you need to deposit the full amount all at once. If you cash in your CD before it matures, you will usually pay a penalty, typically forfeiting some of the interest you have earned.

Item 9 Disciplinary Information

JSK and its owners, Jerome S. Keenan and Paul dos Santos, were the subject of an administrative proceeding before the Securities and Exchange Commission ("SEC").

The SEC proceeding found JSK., Mr. Keenan and Mr. dos Santos failed to disclose adequately, on Form ADV Part 2A (the Brochure), to their clients the financial benefits that IES, a broker-dealer under common control with JSK, derived in the form of payments received from Southwest Securities

Inc.⁵ based on the value of the cash holdings in client accounts.

The proceeding further claimed that JSK failed to adopt and implement written policies and procedures reasonably designed to prevent violation of the Investment Advisers Act of 1940 and rules thereunder. Further, it was claimed the Firm failed to establish, maintain and enforce a written code of ethics satisfying the requirements of Rule 204A-1 under the Investment Advisers Act of 1940.

As a result of the above proceedings and without admitting or denying the findings, JSK paid a civil monetary penalty to the U. S. Treasury Department in the amount of \$60,000 and \$64,155 in disgorgement. Mr. Keenan and Mr. Dos Santos individually paid \$10,000 each and agreed to a censure.

Item 10 Other Financial Industry Activities and Affiliations

(A) IES is a registered broker dealer and insurance agency owned by Jerome S. Keenan and Paul dos Santos. As Principal Owners, Mr. Keenan and Mr. dos Santos each own 50% of IES and JSK.

(B) Neither JSK nor any of its management persons are registered as a futures commission merchant, commodity pool operator, a commodity-trading adviser, or an associated person of any of these entities named here. Furthermore, neither the firm nor any management persons have such a registration pending.

(C) JSK routinely recommends the use of its affiliated broker-dealer and insurance agency, IES. This represents a material conflict of interest in that both JSK and IES are both under common ownership. Mr. Jerome Keenan and Mr. Paul dos Santos each own 50% of JSK and IES. The nature of the recommendations may vary, depending upon whether you engage JSK for Financial planning Services or Investment Management Services.

(D) JSK does not recommend other investment advisers for clients nor receive any compensation from other investment advisers.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

JSK maintains a Code of Ethics ("COE") which establishes rules of conduct for all supervised persons of the Firm. Our COE specifically addresses amongst other issues, personal securities trading activities in the accounts of JSK supervised persons ("supervised persons").

At times supervised persons may hold the same or similar positions which recommend to clients. This represents a material conflict of interest. We address these conflicts of interest in various ways, which may include one or more of the following procedures:

- Refrain from investing in the same positions;
- Institute blackout periods whereby supervised persons cannot place trades in their accounts or those of their immediate family members
- Exercising caution and good judgement as the COE cannot address all possible scenarios that may arise in the normal course of business

⁵ FirstSouthwest and Southwest Securities have merged to become Hilltop.

A copy of the JSK's COE is available upon request to any client or prospective client. All requests should be directed the Firm's Chief Compliance Officer at:

**JSK Associates Inc.
Attn: Chief Compliance Officer
120 Bloomingdale Road, Ste. 3400
White Plains, New York 10605**

Or by email: usha@investtowin.com

Item 12 Brokerage Practices

Directed Brokerage

JSK routinely recommends the use of its affiliated broker-dealer and insurance agency, IES. This represents a material conflict of interest in that both JSK and IES are both under common ownership. Jerome Keenan and Paul dos Santos each own 50% of JSK and IES. The nature of the recommendations may vary, depending upon whether you engage JSK for Financial planning Services or Investment Management Services.

Principal Transactions

In the normal course of business, the Firm's affiliated broker-dealer, IES may execute client transactions on a principal basis. This means operationally, client securities may briefly pass through IES's brokerage account before being placed in a client's account. This requires JSK/IES to obtain client consent prior to completion of the transaction. Clients are never under any obligation to consent to principal transactions executed in their accounts.

Allocation and Aggregation of Equity and Fixed Income Transactions

Transactions executed for clients are generally not aggregated or bunched due to the individualized nature of services. However, there may be instances whereby the Firm may buy or sell the same securities for several client accounts simultaneously. In these instances, aggregation may be undertaken to process large orders of securities in order to realize more effective trade execution and the cost efficiencies that come from executing larger orders. 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.

Generally, equity securities are allocated across client accounts based upon average price. Fixed income securities will generally be allocated on rotational basis. Our allocation policy considers the conditions of each trade strives for the most favorable execution under the circumstances.

Investment Management Services

As part of its Investment Management Services, JSK will generally recommend the purchase of Class-C Share mutual funds ("Class-C share mutual funds (Class-C Shares)") through IES. As already stated, products purchased through IES directly benefit the principal owners of JSK and IES, Mr. Keenan and Mr. dos Santos.

Class-C Share Mutual Funds May Not Be the Most Cost Effective

The purchase of Class-C Shares may cause you to pay other than the lowest cost share class. In certain cases, Class-C Shares may be the highest cost share class for clients to pay over the long term. Class-C Shares are described in greater detail below. Please read this carefully and contact your representative at JSK with any questions you may have.

Overview of Class-C Share Mutual Funds

Class C shares usually do not impose a front-end sales charge on the purchase, so the full dollar amount that you pay is immediately invested. Often Class C shares impose a small charge if you sell your shares within a short time of purchase, usually one year. Class C shares typically impose higher **asset-based sales charges** than share classes which impose an upfront sales charge (e.g., Class A shares), and since their shares generally do not convert into other share classes which may impose a lower sales charge. Consequently, the asset-based sales charge of a Class C share will not be reduced over time. Class C shares do not impose a sales charge at the time of purchase, but they may impose a **contingent deferred sales charge (CDSC)**. Additionally, in most cases your **expense ratio** would be higher than other share classes if you hold for a long period of time.

Terminology

The following terminology should assist you in better understanding Class C share mutual funds.

- **Contingent Deferred Sales Charge (“CDSC”)**

This fee is charged when you sell mutual fund shares. For example, if you redeem shares valued at \$1,000, and the mutual fund imposes a CDSC of 1%, you would receive \$990. This CDSC normally declines the longer the shares are held and eventually is eliminated after a number of years, often in the seventh year that you own the shares.

- **Expense Ratio**

A mutual fund's expense ratio measures the fund's total annual expenses expressed as a percentage of the fund's net assets. For example, an expense ratio of 1% represents an annual charge to the fund's net assets- including your proportional interest in those assets-of 1% every year. The expense ratio includes the asset- based sales charge and other ongoing fees that are deducted from a mutual fund's assets to pay for the services of the mutual fund's investment adviser or transfer agent or for other expenses. Front-end sales charges and CDSC's are not included in the expense ratio because they are charged directly to the investor.

- **Asset-Based Sales Charges**

These are fees that you would not directly pay, but which are taken out of mutual fund's assets to pay to market and distribute its shares. For example, asset-based sales charges could be used to compensate a broker-dealer for the sale of mutual fund shares, for advertisements, and to print copies of the prospectus. Asset-based sales charges include “Rule 12b-1” fees, which are dedicated to these types of distribution costs.

Execution of Mutual Fund Transactions

When executing mutual fund transactions for clients, in addition to full disclosure, we attempt to make a reasonable assessment of both quantitative and qualitative factors, as opposed to cost alone. While an assessment of cost associated with a mutual fund recommendation is an important component of an investment adviser's fiduciary duty, JSK does not believe this should be the only factor. Some of the factors we consider in determining which share class to purchase are the following:

- Client objectives in holding a particular share class (e.g., time horizon or anticipated holding period);
- Platform transaction costs in executing a particular share class;
- Investment advisory fees and/or financial planning fees charged to the client's may be reduced to take into consideration the receipt of 12b-1 fees associated with higher cost share classes

The fee table in the front of a mutual fund's prospectus provides the amount of a mutual fund's expense ratio and other sales charge such as a CDSC or an upfront sales charge.

Alternative classes of mutual funds may be more cost effective than the purchase of Class-C share mutual funds. Alternative classes may include No-Load mutual funds or Class-A Shares or Front-End Sales Charge. Please speak to your representative at JSK for more information on the types of share classes available.

Financial Planning Services

As part of its Financial Planning Services offering, JSK will recommend the purchase or sale of securities and insurance products through IES. The initial step in the process is the opening a non-managed account⁶ with IES. Products purchased through IES generally include Class-C Share mutual funds, stocks, exchange-traded funds, bonds, and variable insurance products (“products”) All products purchased through IES directly benefit its principal owners, Mr. Keenan and Mr. dos Santos.

The practice of JSK directing purchases and sales of these products to IES means you may be unable to achieve the most favorable execution of client transactions, and this practice may cost you more money.

Item 13 Review of Accounts

- A. Investment Management Accounts⁷ are reviewed by the Chief Compliance Officer or her designee, a quarterly basis. All transactions are reviewed, and any errors are brought to the attention of Hilltop⁸ for corrective action. Suitability reviews are conducted on a periodic basis and also when there is a change in a client’s investment objectives, risk tolerance, or other material change to the client’s financial situation.

As stated in “Item 5(A) follow up reports or materials needed within the first 12 months are included at no additional charge. However, after 12 months, clients would need to execute a new Financial Planning Services agreement to maintain the financial plan.

- B. In addition to Investment Management Accounts being reviewed monthly, changes in a client’s investment objectives, risk tolerance, or financial circumstances would trigger a prompt or immediate review.
- C. We do not provide regular written reports or statements to clients. However, written reports are provided to clients when or if requested.

Item 14 Client Referrals and Other Compensation

Relationships with Solicitors

The Firm enters into agreements with solicitors to refer clients to JSK. If a client that is referred by a solicitor enters into an advisory agreement with the Firm, a referral fee is paid to the referring person or solicitor.

Solicitor Compensation

The fee paid for the referral is based upon a percentage of the client advisory fee that is earned by JSK.

⁶ A non-managed account is a brokerage account opened with IES. This account is not managed or monitored on an ongoing basis as it is not part of the Investment Management Services offering.

⁷ The term “Investment Management Accounts” refers to those accounts in which client has engaged JSK for Investment Management Services.

⁸ Hilltop is the Firm’s qualified custodian; and is also the clearing agent for International Equity Services, JSK’s affiliated broker-dealer.

In other words, a portion of the advisory fee is paid to the solicitor; the client will not pay two layers of fees.

Material Conflict of Interest

Payment to a solicitor or referrer is a material conflict of interest. This Firm addresses this conflict of interest through proper disclosure. Each prospective client is provided with a solicitor's disclosure document which explains the nature of the relationship and the compensation paid to the solicitor.

Item 15 Custody

JSK does not maintain physical custody of client assets. Other than the client authorized deduction of fees from accounts held by qualified custodian, the Firm does not maintain or accept custody of client funds or securities. JSK recommends and generally requires (depending on the nature of the services) Hilltop Securities as the client's qualified custodian. Neither JSK nor IES is affiliated with Hilltop Securities or any qualified custodian.

If Hilltop Securities acts as the custodian, clients will receive statements at quarterly, indicating all amounts disbursed from the account, including the amount of management fees paid directly to JSK. If the client chooses its own custodian, clients will also receive statements at least quarterly, however procedures may differ by custodian. For additional information on payment methods, please see "Item 5b(1) and 5b(2) – Payment Methods".

JSK urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you as a courtesy. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 Investment Discretion

JSK does not accept investment discretion over client accounts under any circumstances. This means client authorization must be obtained prior to the execution of each transaction. And, since all accounts are managed on a non-discretionary basis, if a client cannot be reached or is slow to respond to the Firm, it may have an adverse impact on the timing and execution price of a transaction.

Item 17 Voting Client Securities

JSK does not vote proxies for securities held in client accounts. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios.

Proxies are sent by the custodian or transfer agent directly to the client. And, although the Firm will not vote client proxies, JSK will assist the client with general questions regarding the proxies.

Item 18 Financial Information

JSK does not require the payment of fees or other compensation six months or more in advance. There exists no financial condition of which the Firm is currently aware that would impair JSK's ability to meet contractual commitments to its clients. The Firm has not been the subject of a bankruptcy petition within the past 10 years.