

Item 1 Cover Page

Firm Brochure

(Part 2A of Form ADV)

JSK ASSOCIATES INC.

120 Bloomingdale Road,
Ste 3400 White Plains,
NY 10605
914-949-9183
www.investtowin.com

August 7, 2020

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 914-949-9183 and/or paul@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 September 18, 2019. Please carefully review the following sections in which material changes have been made.

Change of Chief Compliance Officer

As of 7 August 2020, Paul dos Santos assumes the duties of Chief Compliance Officer.

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Item 4 Advisory Business

4(A) Description of Advisory Firm

JSK Associates Inc. ("JSK", the "Firm", or "We") 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 Jerome S. Keenan and 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

JSK exclusively offers Investment Management Services ("IMS"), and as a component of the Firm's IMS offering, comprehensive financial planning is included at no additional charge. It is JSK's philosophy that a single offering which includes both investment management and financial planning presents a high value for clients. A detailed description of the Services is covered in the section which follows.

4(C) Investment Management Services ("IMS")

We provide investment management of client accounts which entails the ongoing supervision of their assets. This means we monitor client accounts, make investment or disinvestment recommendations, and execute transactions as recommended. All transactions are executed on a **non-discretionary** basis. Please see "Item 16 – Investment Discretion" for more detailed information on the management of client assets on a non-discretionary basis.

Our investment management services are designed for high net worth and non-high net worth individuals, including trusts and estates. Generally, IMS requires both a net worth and account size of \$100,000 to open an account. However, at its discretion, the Firm may open accounts with both a net worth and account size of less than \$100,000. We define high net-worth clients as individuals with assets of at least \$1 million, excluding their primary residence. Through this service, we offer a customized investment program for each client that takes various factors into consideration, including investment objectives, risk tolerance, investment knowledge, net worth, income, liquidity needs, and age.

As part of the investment management process, we generally recommend that clients establish an account at International Equity Services ("IES"), an introducing broker-dealer² which clears and custodies all assets at Hilltop Securities Inc.³ ("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) 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 we manage; including individual security selection or sectors in which to invest or avoid.

We generally recommend the following types of securities and insurance products (although we advise and review securities and products beyond those listed below):

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.

- Mutual Funds
- Exchange-Traded Funds
- Equity Securities
- International or Foreign securities
- Fixed Income Securities
- Certificates of deposit
- US Treasury Securities (i.e., T-Bills, T-Notes, T-Bonds)
- Cash, Cash Equivalents, and Money Market
- Term Insurance, Long-Term Care

IMS Encompasses Active Management and Changes to Portfolio Allocations

Active management of client accounts/assets may require the Firm to adjust portfolio allocations with some frequency, 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 we hold relatively large percentages of client assets in cash equivalents in an attempt to reduce market exposure.

Comprehensive Financial Planning Services

As described previously, comprehensive financial planning is a component of the Firm's investment management services offering. 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 and monitoring financial objectives.

Financial plans can be holistic or modular in nature. Topics covered in a financial plan may include one or more of the following key areas:

- Information gathering, identifying goals and concerns
- Outside-held asset review (e.g. variable annuity)
- Financial literacy assessment and education
- Risk assessment and management
- Investment tax review and planning
- Insurance review and planning
- Retirement planning
- Estate planning
- Periodic reviews

Through the financial planning process, JSK may recommend the purchase of insurance products by recommending and utilizing its affiliated broker-dealer/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(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 \$74,689,952 as of March 5, 2020. 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) 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%
Between \$5 million and \$10 million	1.25%
More than \$ 10 million	1.00%

Note, the “Annualized Fee” excludes brokerage costs such as commissions, markups, markdowns, ticket charges, and custodial charges, credit interest, 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 as 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”.

5(B) Payment Methods

Fees for IMS are deducted on 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 and reflected in the Hilltop client statement. Additionally, JSK emails a copy of the quarterly fee calculation statement the client. Clients are urged to compare the account statement from Hilltop to the quarterly fee calculation statement from JSK. 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) 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.

Financial Planning Services may include the recommendation of insurance products via its affiliated broker-dealer/insurance agency, IES. This represents a material conflict of interest 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 insurance products as they profit directly from these purchases. JSK addresses this conflict through full disclosure, both in the form of a written disclosure statement and acknowledgement, and verbally during client meetings.

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

When the Firm recommends the purchase of insurance products through the financial planning process, Jerom Keenan and Paul dos Santos may receive up to two different forms of compensation: 1). Investment management fees; 2). Insurance-based compensation from the sale of insurance products.

5(D) 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.

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 primarily fundamental and technical analysis into our decision-making process. Factors that we may 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 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).

Fundamental Analysis attempts to produce a value that an investor can compare with the security's current

price to figure out what 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. 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. **Nonetheless, 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 as 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

On March 14, 2011, JSK Associates, Inc., Mr. Keenan, and Mr. dos Santos (collectively, the “Respondents”) were the subject of an administrative proceeding (File No. 3-14296) before the Securities and Exchange Commission (“SEC”).

The administrative proceedings found that between January 1, 2006 and December 31, 2009, JSK failed to inform advisory clients about financial benefits that its affiliated broker-dealer, International Equity Securities (“IES”) derived in the form of payments received as a result of the cash holdings in advisory accounts. During the same period, JSK, through IES, engaged in hundreds of fixed-income transactions on a riskless principal basis with advisory clients. Finally, from at least July 2007 through July 7, 2009, JSK failed to adopt written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act, and failed to establish, maintain and enforce an adequate written code of ethics.

As a result of the this proceeding and without admitting or denying the findings, JSK Associates, Inc. paid a civil monetary penalty to the U. S. Treasury Department in the amount of \$60,000, the Respondents paid disgorgement of \$60,350 and prejudgment interest of \$3,805, and Mr. Keenan and Mr. dos Santos individually paid \$10,000 each.

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 or not you have insurance needs (e.g., life insurance, annuities, or long-term care).

(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 we 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

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: paul@investtowin.com

Item 12 Brokerage Practices

A. Selection and Recommendation for Client Transactions

1. Research and Other Soft Dollar Benefits

JSK does not participate in soft dollar programs sponsored or offered by any broker-dealer. However, the

Firm receives certain economic benefits from its custodian, Hilltop Securities. Please see Item “14 – Client Referrals and Other Compensation.”

2. Brokerage for Client Referrals

JSK does not receive any client referrals for directing Client transactions to broker-dealers for trade execution.

3. JSK Directed Brokerage

JSK exclusively directs all securities transactions to its affiliated broker-dealer, International Equity Securities (“IES”). As an introducing broker, IES routes all orders to Hilltop Securities (“Hilltop”) for execution. In addition to transaction-based compensation (e.g., commissions, markups, markdowns), and a flat charge for each trade ticket (order); IES also assesses a flat ticket charge of \$10 for per equity transaction and \$35 for mutual fund transactions.

As JSK’s sole custodial relationship and executing broker-dealer for IES, the practice of directing all securities transactions to a single broker-dealer may cost Clients more money. Not all advisers require their clients to direct securities transactions to a single broker. By directing all brokerage transactions to Hilltop, clients may be unable to achieve the most favorable execution of client transactions; and this practice may cost clients more money.

Furthermore, JSK’s practice of directing all client orders to IES represents a material conflict of interest as JSK and IES are under common ownership by Jerome Keenan and Paul dos Santos, who each own 50% of JSK and IES.

4. Financial Planning as a component of the Investment Management Services Offering

As part of the financial planning process, JSK may recommend the purchase of insurance products (e.g., life insurance, annuities, long-term care) through IES. In addition to being a broker-dealer, IES is also a licensed insurance agency that the JSK recommends for client insurance needs. This also represents a material conflict of interest as JSK and IES are under common ownership by Jerome Keenan and Paul dos Santos, who each own 50% of JSK and IES

B. 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. The practice of aggregating orders attempts to obtain more favorable pricing and/or reducing transaction costs (e.g., commissions, markups, markdowns). By not aggregating orders, Clients may receive less favorable pricing and/or increased costs.

However, there may be circumstances in which 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 in order to obtain more favorable pricing and/or lower transaction costs. In cases where trades are aggregated, JSK strives to allocate investment opportunities or transactions. among its clients in a manner that is fair and equitable.

The fee table in the front of a mutual fund’s prospectus provides the amount of a mutual fund’s expense ratio and all other associated costs.

Item 13 Review of Accounts

- A. Investment Management Accounts⁷ are reviewed by the Chief Compliance Officer or her designee on 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.
- 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. JSK does not regularly provide performance reports or statements to clients. Performance reports, statements or ad hoc analysis/reports are provided to clients when requested. However, official custodial account statements are provided by Hilltop at least quarterly.

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, who 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 a portion of the client advisory fee that is earned by JSK. The client does 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 written and verbal disclosure. Each prospective client is provided with a solicitor's disclosure document that details 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 or any qualified custodian.

If Hilltop Securities acts as the custodian, clients will receive statements at least quarterly, indicating all amounts disbursed from the account, including 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) – Payment Methods".

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

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.

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 Clients. Although the Firm will not vote Client proxies, JSK will assist Clients with general questions regarding proxies.

Item 18 Financial Information

JSK does not require the payment of \$1200 or more 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.