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Brochure (Form ADV Part 2A)

January 1, 2021

This Brochure provides information about the qualifications and business practices of Jackson, Grant Investment Advisers, Inc. If you have any questions about the contents of this Brochure, please contact us at: 203.322.1198, or by email at info@jacksongrantus.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or by any state securities authority. Additional information about Jackson, Grant Investment Advisers, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

NOTE

This Brochure provides responses to Items 1 through 18 of Form ADV Part 2A as required by SEC rules adopted for use by registered investment advisers beginning in 2011. At the end of this document, you'll also find the firm's Code of Ethics, Business Continuity Plan and Privacy Notice.

REF: ADV 2021 1 1

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ITEM 1: COVER PAGE

As required by Item 1 of Part 2A of Form ADV, the cover page of this Brochure provides the name of our firm (Jackson, Grant Investment Advisers, Inc.), and the firm's address, contact information, website, and the date of this Brochure.

ITEM 2: MATERIAL CHANGES

When we update this Brochure in the future, we will summarize material changes as required by Item 2.¹

ITEM 3: TABLE OF CONTENTS

A table of contents to this Brochure appears after the cover page.

ITEM 4: ADVISORY BUSINESS

Item 4A. Firm and Owners. Jackson, Grant Investment Advisers, Inc. is an independent fiduciary investment firm serving a select high net worth clientele. The firm was incorporated in 1992 and is registered with the SEC under the Investment Advisers Act of 1940 (the Act). The sole shareholder is Julie Jason,² the firm's chief executive.

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

Under Ms. Jason's stewardship, we are guided by three principles: 1) live each day with **INTEGRITY**, grounded on honor, transparency, dedication, and loyalty to clients and to each other; 2) continuously build **SKILLS** to attain mastery, and 3) consistently seek dependable **RESULTS**.

Item 4B. Types of Advisory Services. The firm concentrates on providing clients "*continuous advice as to the investment of funds on the basis of the individual needs of each client.*" As such, it falls under the Act's statutory definition of "investment counsel."³

¹ Form ADV 2A instruction 6 requires the placement of Item 2 responses to be on the cover page or immediately following the cover page (or in a separate document).

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

³ Under section 208(c) of the Act, "it is unlawful for any person registered under section 203 of this title [dealing with registration] to represent that he is an investment counsel or to use the name "investment counsel" as descriptive of his business unless (1) his or its principal business consists of acting as investment adviser, and (2) a substantial part of his or its business consists of rendering investment supervisory services."

As your investment counsel, we work with you to identify investment objectives and risk/reward parameters appropriate for your particular situation. Based on those objectives and risk/reward constraints, we create and manage a portfolio designed for you using our discretion as to the securities that we buy, sell, and hold in your portfolio. We call these tailored services “Personal Portfolio Management.”⁴

After we accept responsibility for managing your portfolio, your brokerage accounts transfer to an independent New York Stock Exchange member firm described in Item 12 (the “Custodian”) that holds your assets and clears the trades we enter on your behalf. The Custodian provides our clients with trade confirmations, brokerage statements, and tax reports. For more information about the Custodian, see Items 5C, 12, 13C, 15, and the Business Continuity Plan.

We also provide investment consulting services, such as pre-retirement planning, selection of administrative trustees, creation of investment policy statements, reviews of investment options for 401(k) plans, IRA distribution planning, and the like. The specific services are described in a “Consulting Agreement” that defines the consulting arrangement. We do not provide buy, sell, and hold recommendations to consulting clients. While we do not offer legal or tax services, we do help our clients address tax, estate planning, and insurance issues by coordinating with their attorneys, accountants, and other advisers.

We accept responsibility to serve you in a *fiduciary* capacity, which is based on a duty of loyalty to you as a client. In practical terms, that means that we act in your favor if we encounter a “conflict of interest” in our business dealings with you. *As you read ahead, watch for references to conflicts. As you will notice, we set up Jackson, Grant with a view to limiting potential conflicts between our clients and ourselves to ensure that our interests are aligned.*

Non-fiduciaries, such as registered representatives of brokerage firms, insurance agents, or financial planners who are not registered investment advisers, are held to a lesser standard that is focused on the point of sale of a security, financial product, insurance policy, or investment service.⁵ They are not required to provide you with a Brochure. However, after June 2020, both brokers and investment advisers will provide clients with a 2-page Form CRS that highlights business practices, standards of care, disciplinary history, and conflicts of interest.⁶

Section 202(a)(13) of the Act defines investment supervisory services as “the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client.”

⁴ The Act defines these services as “supervisory” in nature (see footnote 3); your “Supervisory Agreement” with the firm sets out the details of the engagement. See also Item 4C.

⁵ SEC’s January 2011 “Study on Investment Advisers and Broker-Dealers” concluded: “[R]etail customers do not understand and are confused by the roles played by investment advisers and broker-dealers, and more importantly, the standards of care applicable to investment advisers and broker-dealers when providing personalized investment advice and recommendations about securities. This lack of understanding is compounded by the fact that retail customers may not necessarily have the sophistication, information, or access needed to represent themselves effectively in today’s market and to pursue their financial goals.”

⁶ In part because of confusion on the part of the public as to the different services and standards, the SEC’s January 2011 “Study on Investment Advisers and Broker-Dealers” recommended that the law be changed to hold brokers to the higher fiduciary standard. (www.sec.gov/news/studies/2011/913studyfinal.pdf.) That did not occur. Instead, the SEC issued new rules effective in 2020 that created a “best interest” (not fiduciary) standard

Item 4C. Services are Tailored to Client Needs. In contrast to those registered investment advisers who offer participation in their pooled accounts, we tailor portfolios to each client's needs, risk tolerance, and investment objectives.

In special circumstances, we will accommodate requests to impose restrictions on investing in certain securities or types of securities if agreed to in our Supervisory Agreement. For example, we will accommodate a client who does not want to buy tobacco stocks.

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

Item 4E. Assets Managed on a Discretionary Basis. At the end of 2020, we managed over \$410 million of client assets on a discretionary basis. See Item 16 for more information on "discretion."

ITEM 5: FEES AND COMPENSATION

Item 5A. Compensation for Services. Compensation for our services is fully transparent. If you engage us for consulting services, fees are charged on an hourly basis at the rates set out in your Consulting Agreement.

The remaining description in Items 5 and 6 applies when you retain us as your Personal Portfolio Managers to provide supervisory services.

Supervisory Services. You compensate us for supervisory services by paying us a fee based on the value of your portfolio for the billing period and at the rate set out in your Supervisory Agreement ("Supervisory Fee").

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

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

for brokers and required a new 2020 disclosure form (CRS) to highlight differences between brokers and advisers. A dual registrant (registered as a broker-dealer and an investment adviser) has more complex regulatory demands than a stand-alone broker or adviser.

Our compensation for serving as your Personal Portfolio Managers is limited to the Supervisory Fee. We do not receive any commissions, fees, or payments, direct or indirect, from anyone, including the Custodian; our sole compensation comes from you, our client. In contrast, other financial service providers (including investment advisers) may receive undisclosed commissions, fees or payments that may be hidden from view either as their sole compensation or in addition to disclosed fees.

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

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

Some investment products have internal fees associated with them, such as management fees and other operating expenses. The product's management fees pay for implementing the investment objectives of the product; our management fee (called a Supervisory Fee) pays for implementing your investment objectives.⁷

Some financial firms receive a portion of a product's internal fees, which creates a conflict of interest; *we do not engage in such practices. We do not benefit, directly or indirectly, from any internal fees (or any other fees of any sort) associated with any investment products or services.*

Item 5D. Advance Payment. Supervisory Fees are payable in arrears (after services are rendered) or in advance as provided in your Supervisory Agreement. If you terminate your relationship with us before the end of the applicable billing period (monthly or quarterly), we refund prepaid fees that are unearned based on a daily factor calculation.

Item 5E. Compensation for Sale of Securities. *Item 5E requires disclosure of practices in which we do not engage.* This Item requires registered investment advisers (and any of their "supervised persons"⁸) who receive compensation for the sale of securities or investment products (including asset-based sales charges or service fees for the sale of mutual funds) to explain that this practice presents a conflict of interest, giving the adviser or the adviser's supervised persons "an

⁷ For a frame of reference, taken together, our clients' total costs when accounting for all fees and costs (the Supervisory Fees described in Item 5A at our minimum account size (see Item 7) and other costs described in this Item 5C) can be less than average internal fees associated with managed funds. Data source: Morningstar (total operating expenses for managed equity and bond mutual funds).

⁸ "Supervised person" means: "Any of [the registered investment adviser's] officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on [the adviser's] behalf and is subject to [the adviser's] supervision or control." Glossary to Form ADV.

⁹ Form ADV Part 2A instructions to Item 5E.

incentive to recommend investment products based on the compensation received, rather than on the client's needs."⁹

In such cases, the investment adviser must address the conflicts that arise and provide its procedures for disclosing the conflicts to clients, along with the specific additional disclosures required of subparagraphs 1 through 4 of Item 5E.¹⁰ *We do not receive any compensation for the sale of securities, directly or indirectly, and thus we have no conflicts of interest to disclose pursuant to Item 5E.*

ITEM 6: PERFORMANCE BASED FEES

Performance Fees. *Item 6 requires disclosure of practices in which we do not engage.* Item 6 requires registered investment advisers to disclose if they (or a supervised person¹¹) accept performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client). If they do, they have an incentive to favor performance-based fee accounts over others and must explain how they address that conflict of interest. *We do not charge performance-based fees and thus have no conflicts to address in response to this Item 6.*

ITEM 7: TYPES OF CLIENTS

Types of Clients. Our clients are primarily high net worth individuals, trustees, and families who have the desire to create lifelong retirement income or build a legacy for heirs or charity in an environment removed from the sales culture of Wall Street. They typically reach out to us during a transition, such as retirement, divorce, widowhood, the illness of a spouse, the receipt of an inheritance, the sale of a business or a home, or the retirement of a financial adviser. A client might be an executive,

¹⁰ Item 5E provides:

"If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5E1, 5E2, 5E3 and 5E4.

Item 5E1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

Item 5E2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Item 5E3. If more than 50 percent of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

Item 5E4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups."

¹¹ "Supervised person" is defined in the footnote 8, above.

attorney, accountant, a teacher who inherited wealth, or even a money manager wanting his spouse to benefit from our fiduciary environment.

Our minimum for new client relationships is \$5 million, with exceptions being made in special circumstances, such as family accounts, referrals made by existing clients or their attorneys or accountants, or 401(k) rollovers.

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

Item 8A. Methods of Analysis and Strategy. Investing in financial assets involves risk of loss that clients should be prepared to bear. Portfolio composition takes into account your investment objectives, financial situation, and risk tolerance, as well as assumptions for loss of purchasing power due to inflation and certain tax consequences, although we do not provide tax advice.

Generally speaking, we use growth vehicles for accumulation. Equity positions may be established over a period of time depending on the relative level of the market. Intermediate government and corporate bonds are the fixed income vehicles of choice unless relative values determine that longer-term or shorter-term fixed income investments might provide greater value in terms of real return after taxes and inflation. Higher yielding, lower grade bonds or funds may also be used when appropriate considering the investment objectives and risk profile of the client.

Holdings may be individual issues or pooled investment vehicles. Individual fixed income and equity issues, including exchange-listed and over-the-counter securities and ETFs (exchange traded funds) may be utilized as well as mutual funds and closed-end investment companies, variable annuities and insurance products, unit trusts, bank certificates of deposit, as appropriate for the particular portfolio. It would not be unusual to maintain cash equivalents, such as money market funds or Treasury Bills, in a portfolio for diversification and liquidity, or for opportunistic or defensive purposes.

In the development of our strategies, we may use fundamental and technical analysis methods and may look to outside sources of information, such as annual reports, prospectuses, and other filings with the SEC, financial and other journals, rating services, and independent research reports and publications, such as Standard & Poor's. Investment strategies may include long and short-term purchases. We do not utilize market timing, short-term trading, short sales, margin, direct option-writing, hedging or tax strategies; however, in appropriate cases, we may use inverse and enhanced strategies as described in Item 8C.

Item 8B. Investment Risk. All investments carry risk by definition; without risk, there is no investment. While you'll find detailed disclosure in relevant prospectuses, here are some general risks that you need to be aware of.

Objective Risk: Your investment objectives may not be met.

Excessive Withdrawals: When a portfolio is structured to produce income, there is a risk that you will not meet your long-term objectives if your withdrawals are higher than the income produced.

Event Risk: The global financial crisis of 2008 was caused by a series of events that infected the world-wide banking system. Such events are rare, but nonetheless, do occur. While events that cause contagion cannot be escaped, their deleterious effects can be lessened by having a long-term view and avoiding speculative bets on the direction of the market.

Market Risk: The stock market, as measured by the S&P 500 Index, will rise and fall in reaction to supply and demand, generally based on the underlying financial health of the securities represented by the Index. However, investor demand or lack of it can also be triggered by external events, such as economic and geo-political news.

Economic Risk: As the economy ebbs and flows, some investments that are more sensitive to economic movements may suffer greater declines in periods of economic slowdown.

Inflation Risk: When prices rise due to inflation, purchasing power erodes.

Industry Risk: Securities representing a particular industry may present similarities in price action, rising and falling together. News that affects a single company may affect all companies in the same industry. For example, when BP spilled oil off the coast of Louisiana in 2010, stocks of other oil companies also declined.

Illiquidity: Some investments have no market (the stock of a privately held company) or a limited market or restrictions on when they can be liquidated.

Leverage: Purchasing stocks on margin increases the likelihood of gains when successful trades are made as well as the likelihood of losses when unsuccessful trades are made. Normally, we do not use margin; however, we may use securities in your portfolio that have leverage built into them, such as some closed-end funds, and ETFs, as well as mutual funds that use enhancement techniques. If we use such holdings in your portfolio, we generally limit them in size (portfolio weighting), thus limiting the potential overall gains and losses.

Default Risk: Higher yielding, lower grade bonds have a higher risk of principal and interest default and higher volatility than higher grade, lower yielding bonds.

Political Risk: Foreign and emerging market investments may pose a higher risk of loss due to political developments than developed market investments.

Currency Risk: Investments in foreign countries and currencies fluctuate based on the currency exchange rate.

Reinvestment Risk: When a bond is held to maturity or is called away, there is a risk that you will not be able to replace the bond's interest payments at the same rate.

Item 8C. Inverse and Enhanced Market Strategies. In appropriate cases justified by risk/reward considerations and time horizon, we may utilize leveraged securities that are designed to perform in either: (1) an inverse relationship to certain market indices (at a rate of 1 or more times the inverse or opposite result of the corresponding index) as an investment strategy or for the purpose of hedging against downside market risk; or (2) enhanced relationship to certain market indices (at a rate of 2 or more times the actual result of the corresponding index) as an investment strategy or for the

purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful.

ITEM 9: DISCIPLINARY INFORMATION

We have nothing to report under this Item, which requires registered investment advisers to disclose legal and disciplinary events that are material to a client's or prospective client's evaluation of the adviser's business or integrity of management. (The term "legal and disciplinary" includes criminal and civil actions, administrative proceedings before the SEC and other regulatory bodies, and self-regulatory proceedings.)

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10A. Broker-Dealers. We are *not* registered as broker-dealers and do not retain personnel who function as registered representatives of broker-dealers.

Item 10B. Futures. We are *not* futures commission merchants or commodity pool operators.

Item 10C. Related Parties. *We have nothing to report under this Item*, which requires registered investment advisers to disclose conflicts of interest that arise out of relationships or arrangements with the following related persons if they are material to the adviser's business or clients:

1. Broker/dealers, etc.
2. Investment companies, etc.
3. Other investment advisers or financial planners
4. Futures commission merchants, etc.
5. Banking or thrift institutions
6. Accountants or accounting firms
7. Lawyers or law firms
8. Insurance companies or agencies
9. Pension consultants
10. Real estate brokers or dealers
11. Sponsors or syndicators of limited partnerships

Item 10D. Selecting Advisers. *Item 10D requires disclosure of practices in which we do not engage.* Item 10D requires registered investment advisers to disclose conflicts of interest when an adviser recommends or selects other investment advisers for clients and the circumstances of the conflict, such as the receipt of direct or indirect compensation. *We do not engage in such practices and thus have no conflicts to report pursuant to this Item.*

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

Item 11A. Code of Ethics. Our Code of Ethics¹² serves to establish a standard of business conduct for all of our employees based upon fundamental principles of openness, integrity, honesty, and trust. The Code of Ethics is provided at the end of this document.

Item 11B. Participation or Interest in Client Transactions. *Item 11B requires disclosure of practices in which we do not engage.* Item 11B requires registered investment advisers who have a material financial interest in any securities that they might buy for your portfolio to report that they are incented to buy those securities. They must disclose how they would address that conflict of interest. For example, conflicts would arise when an adviser recommends that clients invest in pooled investments that the firm advises.¹³ *Again, we do not engage in such practices.*

Item 11C. Personal Trading: Securities Purchases for the Firm. Jackson, Grant and its employees are not prohibited from purchasing the same securities that the firm may purchase for client portfolios. Such trades would not be significant enough in size to impact market prices.

Item 11D. Personal Trading: Timing of Securities Purchases for the Firm. Firm and employee trades are not placed ahead of client trades.¹⁴

ITEM 12: BROKERAGE PRACTICES

Item 12A. Choice of Broker/Dealer for Client Transactions. We review broker-dealers from time to time to determine whom to use for trade execution and custody of our clients' accounts. We look for institutional soundness, length of time in the business, execution capability, low costs, security, reputation, and ability to handle institutional accounts such as ours. *It is in our interest to negotiate the lowest costs possible for the best quality executions and services.*

Currently, Pershing LLC serves as the independent custodian ("Custodian") of our clients' assets. Pershing LLC, a member of the New York Stock Exchange, provides clearing services for your accounts, which are introduced through Pershing Advisor Solutions LLC (PAS). PAS, a subsidiary of Bank of New York Mellon, a registered broker-dealer and member of FINRA and SIPC, is located at One Pershing Plaza, 95 Christopher Columbus Drive, Jersey City, New Jersey 07399.

Our firm is not affiliated with Pershing, PAS, or the Bank of New York Mellon.

¹² Registered investment advisers are required to adopt a written code of ethics under section 204A-1 under the Investment Advisers Act (the "Act").

¹³ SEC Release IA-3060 Amendments to Form ADV Final Rule, July 28, 2010, page 30 ("Adopting Release").

¹⁴ Item 11 B, C, and D disclosure is not applicable to securities that are not "reportable securities" under rule 204A-1(e)(1) of the Act, such as shares of unaffiliated mutual funds. Adopting Release page 32.

As discussed in Item 13C, the Custodian provides clients with transaction statements (confirmations), brokerage statements, and tax reports. Should the Custodian or the firm be responsible for a trade error, it is the firm's policy to seek a resolution that makes the client whole.

Item 12A1. Research and Soft Dollars. It is customary practice for custodians serving institutions such as ours to offer them trading software and online access to the accounts of clients housed with them as custodian, as well as other services to help investment advisers better serve their clients, stay in compliance with the laws, or expand their businesses.

For example, we may be offered third-party research, such as Standard & Poor's, market data, trade execution platforms, educational programs, conferences and publications, consulting services and other educational or social events, marketing support, computer hardware or software or other products to be used in furtherance of our investment advisory business operations or to develop our business enterprise. These and other products and services may be offered gratis or at a discount.

Some registered investment advisers may agree to invest a specific amount or percentage of client assets in any specific securities or investment products in return for products or services or incentives such as client referrals (see Item 12A2). *We do not make any such commitments; our clients do not pay more for executions if we avail ourselves of any of these custodial offerings.*

Item 12A2. Brokerage for Client Referrals. *Item 12A2 requires disclosure of practices in which we do not engage.* Item 12A2 requires those registered investment advisers who choose custodians based on an incentive, such as client referrals, to disclose how they handle that conflict of interest. *We do not receive incentives such as client referrals, nor do we choose custodians based on incentives.*

Item 12A3. Directed Brokerage. As explained in Item 12A, the Custodian executes brokerage transactions in your accounts. If you were to direct us to use someone other than the Custodian, generally, execution costs could be higher or lower.

Item 12B. Aggregation of Orders. If we buy or sell the same securities for a number of accounts at the same time, we may aggregate orders for multiple client accounts. If trades are executed at different prices, trades receive the average price paid for the aggregated purchases or sales. *Employee trades and firm trades are not normally aggregated with client trades.*

ITEM 13: REVIEW OF ACCOUNTS

Item 13A. Reviews. We continuously monitor your accounts to ensure that holdings are appropriate considering your investment objectives, time horizon, and risk/reward parameters. Our staff reviews trades daily and portfolios weekly, or more frequently as warranted by their composition and objectives, under the supervision of the chief investment officer.

Item 13B. Review Triggers. We conduct more frequent reviews in disruptive market conditions or if leveraged positions, such as leveraged ETFs, are used in your portfolio.

Item 13C. Reports. Your Custodian provides transaction reports (confirmations of trades) and monthly brokerage statements directly to you, as well as year-end tax reports. We present you with a written portfolio review periodically, normally after each quarter end. There may be a charge for more frequent or customized reports or reports for multiple or special accounts such as trusts with targeted objectives, all as set out in your Supervisory Agreement.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Item 14A. Client Referrals. *Item 14A requires disclosure of practices in which we do not engage.* Item 14A requires registered investment advisers who engage in client referral arrangements to disclose the conflicts of interest arising from: a) receiving an economic benefit from a non-client for providing investment advice to a client, or b) compensating people to refer clients to them.

We do not engage in such practices, as we are fortunate to receive prospective client referrals from current clients as well as attorneys and accountants and others who are familiar with our services.

Item 14B. Compensating for Referrals. *Item 14B requires disclosure of practices in which we do not engage.* If we were to compensate any person who is not a supervised person¹⁵ for referrals we would be required to disclose such arrangements. *We do not compensate for referrals.*

ITEM 15: CUSTODY

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

ITEM 16: INVESTMENT DISCRETION

Discretion. Your Supervisory Agreement provides that you authorize us to use our discretion in making buy, sell, and hold decisions on your behalf in furtherance of your investment objectives. There are no restrictions on this authority.

ITEM 17: VOTING CLIENT SECURITIES

Items 17A and B. Voting Proxies. We do not accept authority to vote client securities, and thus have no conflict of interest to disclose relating to how we might vote proxies. If you wish to receive your proxies or other solicitations directly from the transfer agent, we can arrange that for you.

¹⁵ Supervised person is defined in footnote 8, above.

ITEM 18: FINANCIAL INFORMATION

Item 18A. Prepayment. Item 18A requires financial disclosure for registered investment advisers who require clients to prepay fees six months or more in advance. We do not have such a requirement.

Item 18B. Financial Conditions. In response to Item 18B, we are aware of no financial conditions that are reasonably likely to impair our ability to meet contractual commitments to clients.

Item 18C. Bankruptcies. We have not been the subject of a bankruptcy petition.

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CODE OF ETHICS

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

I. Fiduciary Duty and Professional Responsibility

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

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

II. Professional Qualifications Standards

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

III. Responsible and Ethical Business Practice Standards

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

IV. Compensation for Services Standards

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

V. Communications with Clients and the Public Standards

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

BUSINESS CONTINUITY PLAN

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

Three points need to be made.

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

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

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

* * *

PRIVACY NOTICE

This privacy notice is provided to you in compliance with Regulation S-P adopted by the Securities and Exchange Commission on November 13, 2000 under section 504 of the Gramm-Leach-Bliley Act. Under the Act, financial institutions such as Jackson, Grant Investment Advisers, Inc. provide their clients with a notice of privacy policies and practices, and must not disclose nonpublic personal information about a consumer to nonaffiliated third parties unless the institution provides certain information to the consumer and the consumer has not elected to opt out of the disclosure.

Jackson, Grant's policies are as follows:

1. Information collected

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms or through other financial institutions or advisers you request us to contact on your behalf;
- Information about your transactions with us, our affiliates, or other financial institutions or advisers; and
- Information we may receive from a consumer reporting agency.

2. Information disclosed

We do not disclose any nonpublic personal information about our clients or former clients to anyone unless requested to do so by the client or as required by law.

3. Confidentiality and security

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

If you have any questions about these policies, please contact the firm at 203.322.1198.

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