

ITEM 1 – COVER PAGE

WRAP FEE PROGRAM BROCHURE



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This Wrap Fee Program (“Program”) Brochure provides information about the qualifications and business practices of J. Derek Lewis & Associates, Inc. (“JDLA”), an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Registration does not imply a certain level of skill or training. If you have any questions about the contents of this Brochure, please contact us at (949) 752-9096.

The Program may cost more or less than purchasing investment advisory, brokerage, and custodial services separately, depending upon the separate costs of such services and the trading activity in the client’s account.

Additional information about FEA is also available on the SEC’s website at www.adviserinfo.sec.gov.

The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

ITEM 2 – MATERIAL CHANGES

This is JDLA's initial Wrap Program Brochure. This Brochure simply formalizes an asset-based pricing methodology that JDLA utilizes for accounts held in custody at Schwab. This bundled pricing methodology does not fundamentally change the investment advisory/management services otherwise provided by JDLA.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

Background, Generally

J. Derek Lewis & Associates, Inc. ("JDLA") has been an Investment Adviser ("RIA") registered with the Securities and Exchange Commission ("SEC") since 2006. Its CRD registration # is 122307 (SEC#: 801-67339).

JDLA conducts its investment advisory business through its Investment Adviser Representatives ("IAR") who operate at the Home Office of JDLA. IARs can potentially be acting as a Registered Representative ("RR") of our Broker/Dealer, an IAR of our Registered Investment Adviser. In either capacity, JDLA does not centralize the investment management in client accounts. JDLA offers a variety of investment advisory platforms, custodians, and brokers, including our own affiliated broker-dealer, JDL Securities Corporation ("JDLS").

IARs construct investment advisory and management approaches for each client based upon an analysis of your investment objectives, risk tolerance, time horizon, liquidity needs, etc. Sometimes that analysis will be embodied within an Investment Policy Statement and/or a Risk Tolerance Questionnaire. The resulting investment plan is based upon the professional assessment and judgment of the respective IAR as viewed through the prism of what is in your best interest.

JDLA IARs may use various methods to determine an appropriate investment strategy for client accounts. During a client's initial and subsequent interactions, the IAR will discuss the methods and strategies he or she uses or can use given various investment objectives. JDLA utilizes fundamental analysis and asset allocation principles. JDLA focuses primarily on mutual fund selection, allocation and re-allocation as its investment strategy. JDLA evaluates the Client's investments to determine whether they are appropriate in light of the Client's financial/investment objectives, time horizon, risk tolerance and other relevant factors bearing upon the suitability of the respective investments and the portfolio overall. JDLA uses an information gathering form to help in its evaluation and selection of securities products. By gathering Client data, JDLA evaluates each Client and assigns them to an investment model profile. The model profile is based upon a score that considers the following categories: risk tolerance, time horizon and investment objectives. The models may either be used in their standard form or may be customized for each Client. Other factors may also be relevant, depending upon the disclosures made by the Client. JDLA searches for securities products that complement the Client's investment profile. JDLA designs and proposes investment portfolios tailored to meet the Clients' investment objectives ranging from growth, growth & income, income, and conservative objectives, as well as portfolios that are designed to capitalize upon international opportunities, specific sectors, etc.

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There is no difference between how JDLA manages wrap fee accounts and how JDLA manages other accounts. The difference is simply whether transaction and account fees are paid by you, the client, or such charges are essentially absorbed by JDLA/Schwab as part of the Assets Under Management (“AUM”) fee. Our Wrap Fee Programs are fundamentally just a bundled pricing model for the same investment advisory and management services that we offer to our other separately management account clients that pay fees separately for each element of the Investment advisory/management services model, including, but not limited to, investment advisory fees, commissions, custodial fees, etc. Succinctly stated, our Wrap Program consists of the following Wrap sponsors and the applicable bundled fee adjacent to the respective Sponsor:

Fees

The fees can be found in Item 5 of the ADVII, Brochure, but succinctly stated are as follows:

The fees are the same fees as otherwise contemplated herein, and are not increased due to such asset-based or bundled pricing. Fee, nevertheless, remain negotiable and generally are a maximum fee of 1% of the assets under management or advisement held at Schwab and 1.35% - 1.5% for asset managed by 3rd party asset managers outside of Schwab.

| Wrap Program Name | Sponsor | Sponsor Fee | Total Fee ¹ |
|-------------------------------------------------------|----------------------|--------------------------------------------------------|------------------------|
| Schwab Platform | Schwab | 1.0% ² | 1.0% |
| Lederer and Associates TPAM | Lederer | .6% ³ | 1.35% ⁴ |
| Stewardship Partners TPAM | Stewardship Partners | .75% ⁵ | 1.50% ⁶ |
| Capital Research and Management Company | JDLA | .55% ⁷ | 1.30% ⁸ |
| American Funds Adviser-Class Shares – Application Way | American Funds | Internal Operating Expenses per Mutual Fund Prospectus | .75% ⁹ |

¹ These "asset-based" fees are the maximum, bundled pricing/fee, and the actual fees may be lower, depending upon your agreement with the particular IAR. Some portions of the Account Fee are negotiable and subject to discounts on an IAR-by-IAR, Client-by-Client, or account-by-account basis.

² Schwab charges this fee as the custodian and split the fee between Schwab and JDLA.

³ This fee can be up to 1%.

⁴ JDLA's fee is .75% or less, but in any case, encompasses the transaction costs.

⁵ This fee can be up to 1%.

⁶ JDLA's fee is .75% or less, but in any case, encompasses the transaction costs.

⁷ This is the top fee. Fees scale down depending upon portfolio mix and size.

⁸ JDLA's fee is .75% or less, but in any case, encompasses the transaction costs.

⁹ JDLA charges .75% or less for Adviser Share Class mutual funds. Larger accounts qualify for lower fee percentages.

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IARs provide asset management services through both Wrap Fee programs and traditional management programs. Investment advisers providing continuous and regular supervisory/advisory services generally either charge an AUM fee and also pass along or charge transaction and account fees to the client, or charge an AUM fee, wherein such transaction and account fees are absorbed by the firm and not charged to the client. The latter is a Wrap Fee and, as such regulations require that we furnish this document to you.

For the assets held at Schwab, JDLA utilizes a Wrap Fee pricing methodology. In a Wrap Fee account, assets that pay 12b-1s or other commissions are not allowed in such accounts. Also, trading away from Schwab for Wrap Account in a way that other fees could be charged to the account is disallowed if the total costs would be more than if a Wrap Fee was not used, unless one can demonstrate the services, trading, account treatment, etc. were in the best interest of the client. The point with respect to the latter is that the account and its billing methodology must be viewed in terms of what is the best interest of the client, and one element of conducting a best interest determination is which approach would be the cheapest, assuming all of the alternatives are equally important in terms of achieving what is in the client's best interest. Among other elements that are generally relevant for clients is which services, account types, management styles, account trading activity, and asset allocations methodologies within the account are in the best interest of the client. If the client can achieve all the elements that are important in light of their investment objectives, risk tolerance, liquidity needs and other elements of the client's objectives at a cheaper price, then the cheaper pricing should be sought. If the client's best interest is obtained by managing the account in a different way, but not necessarily the cheapest, then the client's best interest determines the appropriate approach, subject to duty to seek best execution.

Our Wrap Fee does not cover all fees and costs. The fees not included in the Wrap Fee include charges imposed directly by a mutual fund or exchange traded fund which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees (such as a commission or markup) for trades executed away from [Schwab/Custodian] at another broker-dealer, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Trades placed any from Schwab are subject to Best Execution obligations and should only be conducted if deemed in your best interest.

Notwithstanding the foregoing, investment advisory products include investment advisory products proprietary to or administered by third-party service providers which, among other things, allows JDLA Clients to access portfolio managers participating in our Custodian's Advisory Product platforms for purposes of managing trading activity in a Client's Wrap Fee account. Services offered by Wrap Sponsors that are Custodians will include all custodial functions customarily performed with respect to such accounts including, but not limited to, back-office support, execution of securities transactions (when applicable), crediting of interest and dividends and periodic reporting, which reports the respective Custodian will send directly to the Client.

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JDLA charges AUM/bundled pricing for account held at Schwab and account managed by 3rd party asset managers. In those cases, JDLA does not pass along or otherwise charge transaction charges. From a management perspective, there is not a fundamental difference in the way an JDLA IAR manages Wrap Fee accounts versus traditional management accounts. Once again, the significant difference is the way in which transaction services are paid.

The purpose of this Wrap Fee Brochure is, among other things, to alert you about the features of the service, conflicts-of-interest and the fact that because the Wrap Fee “bundles” all services and transactions into 1 cost, it could quite possibly result in higher overall fees assuming a certain level of transactions and other services that you may want or experience in your account. The maximum fee for Wrap accounts held at Schwab is 1.0%, 1.35% for accounts managed by Lederer and Associates and 1.5% for accounts managed by Stewardship Partners.

Under a Wrap Fee program, because **advisory services and transaction services are provided for one fee to the client, you may be able to get the same services by paying separately for each service, resulting in a lower aggregate fee to you.** You should discuss with your IAR whether a Wrap Fee program would be better or worse for you considering the level of transactions and other service needs you have.

Benefits & Suitability Considerations

The benefits under a Wrap Fee program depend, in part, upon the size of the account, the costs associated with managing the account, and the frequency or type of securities transactions executed in the account. For example, a Wrap Fee program may not be suitable for all accounts, including but not limited to accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income securities or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees. In order to evaluate whether a Wrap or bundled fee arrangement is appropriate for you, you should compare the agreed-upon Wrap Program Fee and any other costs associated with participating in our Wrap Fee Program with the amounts that would be charged by other investment advisers, broker-dealers, and custodians, for advisory fees, brokerage and execution costs, and custodial services comparable to those provided under the Wrap Fee Program.

Conflict of Interest

When managing a client's account on a Wrap Fee basis, we receive as compensation for our investment advisory services, the balance of the total Wrap Fee you pay after custodial, trading and other management costs (including execution and transaction fees) have been deducted. Accordingly, **we have a conflict of interest because we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a Wrap Fee.** Schwab and other custodians have eliminated commissions or transaction fees for online trades of U.S. equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most

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cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a Wrap Fee arrangement versus a non-Wrap Fee arrangement. If you choose to enter into a Wrap Fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account, please refer to Schwab's most recent pricing schedules available at www.schwab.com/aspricingguide.

Our Wrap Fee does not cover all fees and costs. The fees not included in the Wrap Fee include charges imposed directly by a mutual fund or exchange traded fund which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees (such as a commission or markup) for trades executed away from [Schwab/Custodian] at another broker-dealer, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Fees for trading away are generally disallowed, subject, however, to consideration if such trades are, nevertheless, in the best interest of you, the client. Trades placed any from Schwab are subject to Best Execution obligations and should only be conducted if deemed in your best interest.

A Wrap Fee is not based directly on the number of transactions in your account. Various factors influence the relative cost of our Wrap Fee program to you, including the cost of our investment advice, custody and brokerage services if you purchased them separately, the types of investments held in your account, and the frequency, type and size of trades in your account. The program could cost you more or less than purchasing our investment advice and custody/brokerage services separately.

Schwab Program

Schwab provides various benefits for investment managers and their clients. Such benefits include products, product & account services, administrative services, and information and resource services. JDLA maintains primary responsibility to communicate with its Clients, except for Clients that Schwab may refer to JDLA through Schwab Advisor Network®. Schwab, however, has a responsibility to communicate with JDLA Clients via the issuance of account Statements and trade confirmations.

Schwab will execute orders that JDLA or its Clients place, provided it receives securities or property in good deliverable form prior to settlement. Unless JDLA or the Client specifies that the order be executed in a specific exchange or market, and Schwab has agreed to such execution, Schwab will, at its sole discretion, execute any order to purchase or sell securities in any location or on any market or exchange where such security is traded. Schwab will assume that all orders, unless specified otherwise, are "long." All transactions are subject to Schwab's house trading rules and policies and applicable rules, regulations, customs and uses of any exchange, market, clearing house or self-regulatory organizations.

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Schwab will make available to JDLA price and other market data information upon reasonable request. Schwab obtains market data from industry sources that it deems to be reliable, but the accuracy, completeness, timeliness or correct sequencing of the market data cannot be guaranteed.

As with the fee debiting procedures for JDLA clients in general, Schwab will directly debit the Clients' accounts, subject to certain control procedures, including, but not limited to, receipt of Client's written authorization to debit the account. JDLA will submit invoices to Schwab for the amount of fees to be charged.

As with securities custodians generally, Schwab retains a security interest, lien on and right to set-off investment management fees payable by Clients to Schwab for the benefit of JDLA, and such rights pertain to all securities, money or other assets held in the Account, including proceeds from such assets.

JDLA pays Schwab a single asset-based fee in lieu of transaction-based commissions. The fees we pay Schwab are assessed on certain assets in your account(s) at Schwab. We have a conflict of interest because we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a Wrap Fee.

Schwab Managed Account Services

Schwab's Managed Account Services consist of the Managed Account Select® ("Select Program") and the Managed Account Access® Program ("Access Program"). Both of these programs are jointly referred to as the "Sponsor Programs." The other managed account services are referred to as the Managed Account Marketplace® ("Marketplace").

The Managed Account Services include brokerage, custody, and related services that allow participating clients to engage money managers to provide discretionary investment portfolio advisory services to designated accounts opened and maintained at Schwab. In the Sponsored Programs, Schwab acts as a program sponsor. In the Select Program, Schwab provides research on a select group of managers. In the Access Program, by contrast, Schwab does not undertake to perform any screening or due diligence in the acceptance of managers participating in that Program, and managers participating in the Access Program may or may not be affiliated with Schwab. The fee for Schwab's brokerage, custody, research and other services in the Sponsor Programs is bundled with the managers' fees for their portfolio management services.

Marketplace contains a relatively more extensive list of managers whose portfolio management services are available through Schwab. Schwab does not act as a sponsor in relation to the Marketplace, and its compensation for Marketplace services is separate from the manager's fee. Marketplace includes managers providing separate account management, overlay managers (including for multi-strategy portfolios and unified managed accounts), Turnkey Asset Management Providers ("TAMP") and sub-advisors to any of the foregoing that have trading authority over Client accounts. The TAMP may

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include separately managed accounts, multi-strategy portfolios, unified managed accounts, mutual fund wrap programs and exchange-traded fund wrap programs. For purposes of this section, managers include overlay managers, sub-advisors with trading authority and TAMP (*as well as any managers that are part of the TAMP's Program*).

If JDLA's Clients are interested in participating in the aforementioned programs, JDLA would be responsible for assisting interested Clients in selecting the appropriate manager. If so, the respective Clients would be obligated to sign a Client Account Agreement with Schwab, pursuant to which the respective Client would authorize managers to manage the Client's account(s) and Schwab would render its brokerage, custody and related services to the respective Client's account(s) and be authorized by the respective Clients to allow JDLA and the managers to share your Client account information and take such actions upon instructions of managers and JDLA. JDLA would assist Clients in completing and submitting Client Account Agreements to Schwab, including advising Clients about whether managers designated on Client Accounts will be sent certain issuer-related information (*such as proxies, tender offers, proposed mergers, rights offerings, exchange offers, warrants, certain prospectuses and annual reports*) that require managers to make voting decisions or take other actions regarding investments held in Clients' Accounts managed by the managers.

For Marketplace Accounts, JDLA will not submit to Schwab the Client Account Agreements until the appropriate manager has accepted its appointment. By contrast, JDLA will forward the Client Account Agreements for Sponsor Accounts promptly after being signed by the Client.

The fee that Client Accounts in the Sponsor Programs ("Sponsor Accounts") pay for Schwab's and managers' services is separate from the fee that the Sponsor Account will pay for JDLA's services. Client Accounts in the Marketplace will pay a separate fee for Schwab's services, JDLA's services and the manager's services. Marketplace Accounts may be designated either as transaction-based pricing or asset-based pricing.

Advice to Clients, Generally

JDLA, and not Schwab, will be responsible in providing advice to Clients regarding, among other things, the following:

- i. The appropriateness for a Client of managed accounts, asset-based pricing or bundled fees and other aspects of Schwab's Managed Account Services;
- ii. The appropriateness for a Client of the fee structure of any Sponsor Program or TAMP's service, and the fee applicable to any Marketplace Account;
- iii. The selection of any manager to manage a Client Account, including reviewing the manager's strategy, performance or disciplinary record or other due diligence information;
- iv. Any investment style, strategy or technique, including those of any manager and the allocation of the Client's assets;
- v. Any transaction in a Client Account effected upon JDLA's instruction; and

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- vi. The ongoing performance and suitability of any manager and its investment strategy(ies) or program.

The appropriateness of working with the Client, upon paying either asset-based fee or transaction fees, may depend upon a number of factors, including, among others, the Client's investment objectives and financial situation, JDLA's and the respective manager's investment strategies and trading patterns, as well as the frequency of trading and the number and size of the transactions. If the number of transactions in the account is low enough in any given billing period, Schwab's portion of the bundled fees may exceed the commissions or other transaction charges that would otherwise have been charged for transactions effected in the respective billing period.

Document Delivery

Sponsor Accounts. JDLA shall deliver to each Client, no later than the time the Client completes a Client Account Agreement:

- i. A copy of Schwab's Managed Account Services Disclosure Brochure
- ii. The disclosure brochure, including any supplements, ("Manager brochure") and
- iii. Any privacy notice for manager.

Schwab is responsible for delivering updates to its Managed Account Services Disclosure Brochure, and each manager is responsible for delivering or offering to deliver updates to its Manager brochure, privacy notice and other required documents.

Marketplace Accounts. Each manager will be responsible for any required initial delivery of its brochure and privacy notice, and also will be responsible for any subsequent offer or delivery to Clients of required updates to these documents.

Schwab's Role and Limitations Thereof

- i. Schwab is not serving as an investment adviser in its Managed Account Services with respect to any transaction in Client Accounts. Furthermore, Schwab does not recommend or endorse any manager to JDLA or its Clients.
- ii. Schwab will not be responsible for determining any Client's financial situation or investment objectives or determining the suitability for any Client or Client Account of separately managed accounts, any manager, asset-based pricing, bundled fees or any other aspect of Schwab's Managed Account Services, investment style or strategy or that of any manager.
- iii. Schwab will carry out transactions only as directed by a manager, a Client or JDLA. Schwab will send Client's confirmations and Account Statements. The name of the manager may appear on Schwab's Statements of the Client Account.

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- iv. Schwab is not obligated to monitor the trading of any manager, JDLA or Client's trading in Client's Account.
- v. Schwab cannot verify or guarantee the accuracy, adequacy or completeness of the historical performance or other information made available to JDLA.
- vi. The manager may have other business relationships with Schwab, separate from Schwab's Managed Account Services, in connection with which the manager compensates Schwab for services (e.g., Schwab Advisor Network® and Mutual Fund OneSource®).
- vii. The investment strategy, techniques, portfolio securities and historical performance of a manager's separately managed accounts may differ materially from that of mutual funds or other accounts managed with a similar strategy by the same manager.

Authorizations

JDLA's will complete agreements prescribed by Schwab to authorize Schwab to:

- i. Provide JDLA and each manager with access to Client Account information;
- ii. Act upon JDLA's instructions for Client Accounts with respect to payment of fees and, to the extent the Client elects, with respect to trading and disbursing assets;
- iii. Act upon JDLA's instructions, to the extent authorized by the Client, with respect to the Client's Additional, Funding or Optional Brokerage Accounts (*as defined in Schwab's Account Agreements*);
- iv. Act upon the trading instructions of managers that have been designated to have trading authority;
- v. Furnish transaction information to each manager and send certain issuer information to any combination of the Client, JDLA and/or the manager, as the Client may specify; and
- vi. With respect to Marketplace Accounts, act on each designated manager's instructions for payment of the manager's fees.

Termination of Manager Authorizations

Schwab shall not be required to follow any instructions of any manager

- i. With respect to all Client Accounts managed by the respective manager, after the termination of the Manager Service Agreement between manager and Schwab;
- ii. With respect to a particular Client Account managed by the manager, after
 - A. The Client notifies Schwab in writing that it has revoked Client's selection of the manager,
 - B. The Client notifies Schwab in writing that it has terminated its

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- agreement with JDLA,
- C. The Client terminates the Client Account Agreement, or
- D. Either Schwab or JDLA terminates the governing contractual arrangements between them.

If a manager is no longer available to manage the Sponsor Program Client Accounts, Schwab will notify JDLA and JDLA will discuss with any Client impacted by such change. JDLA and Client will discuss whether to select a new manager that is eligible to manage the Client's Account, switch the Client's Account to a different Sponsor Program or one of the Marketplace services for management by the manager, or take some other action. Schwab and the manager may agree to move a particular investment strategy from the Select Program to the Access Program, in which event JDLA may elect to continue to have the Client's Select Program managed as an Access Program account subject to the same fees, but Schwab will not provide research or other information regarding a manager whose services are no longer being offered under the Select Program. It is also possible that Schwab and the Manager may move one or more of the managers in the Access program to the Select Program.

A Client who participates in a Wrap Fee Program should consider that, depending on the level of the Wrap Fee charged, the amount of portfolio activity in the Client's account, the value of the custodial and other services which are provided under the arrangement, as well as other factors, the Wrap Fee may or may not exceed the aggregate cost of such services if they were to be purchased separately. Because the Wrap Fee may be greater than would have been the case if the Client paid separately for investment advice and brokerage and other services or participated in another program, IARs have an incentive to recommend the Wrap Programs over alternative programs or over the purchase of such services separately, including with respect to mutual funds or other assets that may be contained within a Wrap Fee Program account and which may be purchased on an individual basis through JDLA's affiliated broker/dealer, JDL Securities Corporation, or through JDLA's relationship with Schwab with unbundled pricing.

Fees for 3rd Party Asset Managers on the Schwab Platform

| 3 rd Party Management Fees | Fee Range |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Schwab's Managed Accounts Services¹⁰:</p> <p><i>Sponsor Accounts</i></p> <p><i>Marketplace Accounts</i></p> | <p>Transaction-Based or Asset-Based</p> <p>Payment for each manager's services as a single, bundled fee, to be deducted directly from each Sponsor Account. The bundled fee is based upon the value of assets in the Account and will cover most Schwab brokerage and related fees.</p> <p>To the extent that Sponsor Account assets are invested in money market funds for which Schwab serves as the investment advisor and/or sponsor, Schwab will earn advisory, distribution and/or other fees in addition to the bundled fee on such assets.</p> <p>Schwab may act as principal for trades of fixed income securities in the Sponsor Programs, but will not act as principal for equity trades. Principal trades are those in which securities are directly purchased from or sold to a financial institution acting as dealer or principal. When Schwab executes fixed income trades as principal for a Client Account in the Sponsor Programs, Schwab will realize the customary dealer profits or losses on the trade and, in the case of fixed income securities, will charge a mark-up or mark-down. Profit or loss on principal trades will be separate from and additional to, and will not reduce or otherwise offset, Schwab's bundled fee for the Sponsor Program Client Account. Schwab will not execute trades as principal for Client Accounts managed by affiliated managers in the Access Program.</p> <p>In addition to the bundled fee, Schwab may charge Sponsor Account Fees for special services elected by the Client, JDLA or the manager, including without limitation periodic distribution fees, electronic fund and wire transfer fees, certificate delivery fees and reorganization fees. For more information about fees, JDLA may obtain such information, upon request or account establishment, from the Schwab Institutional® Regional Sales Team.</p> <p>Commission and other Fees apply for brokers used other than Schwab. Also, the see Asset-Based Pricing Addendum to the Schwab Client Account Agreement.</p> |

Investments in mutual funds and ETFs are subject to various other fees that are paid by those portfolios, but ultimately are borne by shareholders through lower returns than would likely be realized without those fees. These expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit, and other customary fees related to investments in mutual funds. In addition, mutual funds' portfolio

¹⁰ Note that in situations where JDLA provides investment advice or investment management services for assets held in custody at Schwab, the pricing is bundled or "wrapped" into the assets under management fee charged by JDLA, which means that transaction and account fees are not assessed to you, the client. A separate Wrap Disclosure Brochure is provided in those cases. The fees of using Schwab are the same fees as otherwise contemplated herein, and are not increased due to such asset-based or bundled pricing. Fees for using the other 3rd Party Asset Managers of Lederer and Associates and Stewardship Partners are higher than Schwab and therefore, there is a conflict of interest for IARs to recommend that latter 3rd Party Asset Managers rather than JDLA providing separate account management/advice itself for asset held at Schwab. Fees, nevertheless, remain negotiable and generally are a maximum fee of 1% of the assets under management or advisement.

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managers and JDLA's custodians that conduct the order routing result in spreads being paid to market makers as markups or markdowns of the price of the security purchased. Additional information and product descriptions can be found in the prospectus for the applicable product.

JDLA is generally compensated by fees calculated as a percentage of AUM and may also on occasion be compensated through fixed-fee arrangements. Fees that are calculated as a percentage of AUM are generally charged quarterly in advance or arrears, depending upon the agreement with you, the client, based upon the market value of the assets in your Account on the last business day of each quarter and either billed quarterly in advance or quarterly in arrears, including short-term money market and other cash equivalent assets, during the relevant billing period.¹¹

All fees are deducted from the account held at the Qualified Custodian, unless otherwise agreed.

JDLA will share its portion of the wrap fee it receives with the JDLA IAR for the Client's account ("Fee Split"). The payment by JDLA of compensation to IAR will not affect the amount of the Fee charged to Client's account. The amount of such compensation may be greater than what the JDLA IAR would receive if the Client purchased separately JDLA's brokerage or other services as such services. Such personnel may, therefore, have a financial incentive to recommend these products over other products, programs, or services.

JDLA may in its sole discretion change the actual fee charged upon thirty days' written notice to the Client. Clients may accept the change or close the account.

Stewardship Partners

Stewardship Partners provides investment advisory services, on a discretionary and non-discretionary basis, for high net worth individuals and institutional clients. Each account is managed in accordance with the investment objectives and any restrictions set by the client. We interview the client or have the client complete a written questionnaire, assessing the client's financial situation/needs and decides as to whether the investment styles and services offered by Stewardship Partners would be appropriate for the client before Stewardship Partners is retained to manage the client's account. We are also responsible for determining and notifying Stewardship Partners of any changes in the client's investment objectives or personal or financial circumstances that should be considered in managing the account.

| 3rd Party Management Fees | Fee Range |
|---------------------------------------------|-----------------------------------------------------------------------------|
| Stewardship Partners | 50 bps – 100 bps (generally 60 bps, or .6%, for JDLA clients) ¹² |

¹¹ Uninvested cash balances should generally not be subject to AUM fees, unless there is material portion of such balance that is relatively short-term or the IAR can demonstrate active management of the entire portfolio strategy, of which a certain and varying level of cash balances are being regularly reviewed and reassessed for deployment into the market or to address varying liquidity needs.

¹² JDLA charges its own fee on top of this, which is negotiable, but generally is 75 bps.

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The Web Site and important disclosures regarding Stewardship Partners can be found at <https://stewardshippartners.com/>, with its ADV located at https://stewardshippartners.com/ADV_Schedule2A.pdf and Form CRS located at <https://stewardshippartners.com/Form%20ADV%20Part%203.pdf>.

Lederer and Associates

Lederer & Associates manages equity, fixed-income, and balanced portfolios. All portfolios are managed separately. Based on your goals and objectives, we establish asset allocation targets, the type of equity strategy, and the appropriateness of taxable and/or tax-exempt bonds for each portfolio. You may impose restrictions on investing in certain securities or types of securities. We interview the client or have the client complete a written questionnaire, assessing the client's financial situation/needs and decides as to whether the investment styles and services offered by Lederer & Associates would be appropriate for the client before Lederer & Associates is retained to manage the client's account. We are also responsible for determining and notifying Stewardship Partners of any changes in the client's investment objectives or personal or financial circumstances that should be considered in managing the account.

| 3 rd Party Management Fees | Fee Range |
|---------------------------------------|-----------------------------------------------------------------------------|
| Lederer and Associates | 50 bps -100 bps (generally 75 bps, or .75%, for JDLA clients) ¹³ |

The Web Site and important disclosures regarding Lederer and Associates can be found at <https://lederer-associates.com/>, with its ADV located at <https://lederer-associates.com/wp-content/uploads/2020/12/2020-ADV-Part-2-CURRENT.pdf> and Form CRS located at <https://lederer-associates.com/wp-content/uploads/2020/05/Form-CRS.pdf>.

Capital Group

Capital Research and Management Company, a wholly-owned subsidiary of The Capital Group Companies, Inc., is a Delaware corporation. Capital Research and Management Company is the investment adviser to the American Funds family of mutual funds.

The material contained herein are excerpts from the Capital Group Form ADV, which is being provided as a general overview of a certain services. However, you should review for important information on the investment advisory services, their fee structure, conflicts of interest, etc.

Capital Research and Management Company also provides investment management to individuals, foundations, trusts and other investors through wrap fee programs or dual contract programs ("managed account programs") sponsored by broker-dealers or other financial institutions. In such programs, the sponsor provides a platform where investors can choose a variety of service providers to invest and manage their account. In a wrap fee program, a participant enters into an advisory agreement with the sponsor and the sponsor enters into an agreement with Capital Research and Management Company. In a

¹³ JDLA charges its own fee on top of this, which is negotiable, but generally is 75 bps.

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dual contract program, a participant enters into an investment advisory agreement with Capital Research and Management Company and a separate agreement with the program sponsor. Dual contract programs are generally managed in a manner similar to wrap programs.

In cases where Capital Research and Management Company is an investment adviser to a managed account program, clients are typically not charged separate brokerage commissions for the execution of transactions in the client's account that are executed by or through the sponsor; these commissions are generally included in the wrap fee charged by the sponsor. See the Capital Group Form ADV for more information on their services.

In addition, Capital Research and Management Company recommends model portfolios to the sponsor for certain wrap fee or advisory programs. Capital Research and Management Company acts as portfolio strategist to the sponsor in recommending model portfolios. Capital Research and Management Company does not have an advisory relationship with, or act as a fiduciary to, any underlying client of a sponsor using model portfolios. The sponsor has ultimate decisionmaking responsibility and discretionary authority for the accounts investing in the model portfolios and is solely responsible for recommending such portfolios to investors. If the investor implements the model portfolios, the client will pay the expenses of the funds as disclosed in each fund's prospectus provided to the investor during the enrollment process. Capital Research and Management Company does not recommend a share class. The sponsor is responsible for share class selection. In some cases, the mutual fund may have a lower cost share class available for purchase outside of the portfolios offered by the sponsor. An investor who holds a less expensive share class of a fund will pay lower fees over time – and earn higher investment returns – than an investor who holds a more expensive share class of the same mutual fund.

Capital Research and Management Company will create certain portfolios entirely from proprietary mutual funds. Capital Research and Management Company does not consider other potential investments in constructing all-proprietary portfolios of mutual funds. Other model portfolios are intended for sponsors of wrap fee or advisory programs that wish to invest in a mix of actively- and passively-managed mutual funds and ETFs. In creating hybrid portfolios of active and passive funds and ETFs, Capital Research and Management Company will ordinarily maintain an average allocation of 30% or more to funds and ETFs in each of the active and passive components. Capital Research and Management Company will only consider proprietary mutual funds for the active component of a hybrid portfolio. Capital Research and Management Company will ordinarily recommend ETFs managed by third-party asset managers for the passive component. When selecting a third-party asset manager, Capital Research and Management Company will consider factors such as liquidity, fees, style drift and reputation, among others. In this regard, Capital Research and Management Company has discretion to select third-party asset managers based on a number of factors, including, but not limited to, distribution considerations, and may select different asset managers for different sponsors. Capital Research and Management Company receives compensation from the mutual funds that make up the model portfolios for the investment advisory and other services it provides to those mutual funds but does not charge a separate fee for its model portfolio construction services. This creates an incentive for Capital Research and Management Company to select actively managed proprietary mutual funds over passively-managed third party ETFs. It also creates an incentive for Capital Research and Management Company to select proprietary mutual funds with higher fees. This may create an incentive to select proprietary mutual funds in certain asset classes over other asset classes.

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| 3 rd Party Management Fees | Fee Range |
|-----------------------------------------|--------------------------------|
| Capital Research and Management Company | 22 bps - 55 bps) ¹⁴ |

The Web Site and important disclosures regarding the Capital Group can be found at <https://www.capitalgroup.com>, with its ADV located at https://www.capitalgroup.com/content/dam/cgc/shared-content/documents/policies/CRMC_ADV_PART_2A_FINAL.pdf, and Form CRS located at https://www.capitalgroup.com/content/dam/cgc/shared-content/documents/policies/form_crs_crmc_final.pdf.

Management of your Portfolio

All clients in the Program shall grant JDLA either (i) discretionary authority to buy, sell, and otherwise trade in the type of securities for their account and to liquidate previously purchased securities that the Client has transferred to their Account(s), or (ii) non-discretionary authority, in which case their role is advisory-only. In order to have trading authorization on your account, you must grant your IAR limited power of attorney over your account. This can be done by executing an JDLA advisory agreement or via other legal documents such as a Limited Power of Attorney.

Assets in the Client's Account subject to discretionary management shall be managed by one of JDLA's IAR according to an investment strategy, taking into account your individual needs, objectives and risk tolerance, and may also utilize an Investment Policy Statement or Risk Tolerance Questionnaire. The terms and conditions under which the Client shall engage the IAR may be set forth in separate written agreement between the Client and JDLA or a tripartite agreement between JDLA, the Client and the designated IAR. JDLA shall continue to render advisory services to the Client relative to the ongoing monitoring and review of account performance, for which JDLA shall receive an annual advisory fee which is based upon a percentage of the market value of the Program Assets being managed by your IAR.

JDLA IARs provide investment management services, defined as giving continuous and regular investment advice to a Client and making investments based on a Client's individual needs through advisory accounts. In this Program, IARs are responsible for determining investment recommendations and, depending upon the scope of the engagement, are responsible for implementing transactions with or without your prior approval.

If you wish to contract with JDLA and IAR for asset management services, you are required to use only those broker-dealers and custodians approved by JDLA. JDLA recommends broker-dealers and custodians based on relationships that have been established. JDLA has an affiliated broker-dealer, JDL Securities Corporation, that may

¹⁴ JDLA charges its own fee on top of this, which is negotiable, but generally is 75 bps.

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be utilized, or a broker/dealer appointed by our Qualified Custodians or TPAMs may be used, or you may request the use of such other broker/dealers that you desire, although such “Directed Brokerage” requests are generally not honored due to challenges in seeking Best Execution as well as other operational reasons by deviating from our established platform relationship with Schwab.

Models and strategies used by one IAR are different than strategies used by other IARs. Some IARs limit your advice to mutual funds, whereas others will provide advice on a broader range of securities. Fees, fee structure, and experience will vary by IAR. Furthermore, IARs determine advisory fees differently. For example, some IARs will household all or a subset of your managed accounts together to determine a fee Breakpoint/tier or charge a fee based on each account size. This causes some Clients to be treated in a more favorable manner than other clients when you do not receive tiered or a householding fee, and are unable to negotiate lower pricing with your IAR.

The exact fee is negotiated on an IAR-by-IAR, Client-by-Client, or account-by-account basis. These fees are disclosed to you in the investment advisory agreement that you sign in advance of services being provided. IARs have an incentive in the fee charged to you as they receive a percentage of the fee with the remaining amount of the fee retained by JDLA. Your IAR will receive the same percentage of the fee regardless of which advisory program is selected. A change in your fee will be documented on the appropriate form when being increased. When your fee is decreased a verbal authorization can be accepted.

The Qualified Custodians used by JDLA to maintain your account will debit the fees from your account on a periodic basis (e.g., quarterly), as disclosed in your investment advisory agreement.

Other Fees and Compensation Received by JDLA from Third Parties

JDLA has entered arrangements with Non-Proprietary Mutual Fund companies under which the Non-Proprietary Mutual Funds and/or the Non-Proprietary Mutual Fund companies will compensate JDLA for the Non-Proprietary mutual fund services. Such services include non-cash compensation and event sponsorship for educational events and meetings designed to provide education to our IARs.

These fees for services shall be in addition to, and will not reduce, JDLA’s compensation for other services to Clients’ accounts. Such fees for services will not be paid directly by clients’ accounts, but will be paid to JDLA by the non-proprietary mutual fund company. JDLA disallows 12b-1 fees in accounts held at Schwab. Also, JDLA does serve as an investment adviser for mutual funds submitted on a Application-Way basis. This means the mutual fund investments are recorded directly with the respective mutual fund companies or their transfer agents. JDLA strives to use Adviser-Class shares, but in instances where a 12b-1 distribution fee is paid, JDLA deducted the .25% fee from the investment adviser fees otherwise charged by JDLA. That being said, once again, JDLA seeks to utilize Adviser-Class shares. For further information, you should carefully review their JDLA investment advisory services contract, the associated disclosures and the

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prospectus for the applicable mutual fund.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that the future performance of any specific investment or investment strategy will be profitable. Investing in any type of security (including stocks, mutual funds, bonds and any other securities/investments) involves partial or total risk of loss. Further, different types of investments have varying degrees of risk. You should be prepared to bear investment loss, including loss of original principal. Moreover, within a Wrap Fee Program, the fees being fixed at a certain bundled price, which are paid regardless of the level of account activity or market performance, can result in greater account losses than if the assets were put into a brokerage account and you paid for each transaction and the account's ancillary services separately.

Because of the inherent risk of loss associated with investing, JDLA and its IARs cannot represent, guarantee, or even imply that our services and methods of analysis:

- Can or will predict future results; or
- Successfully identify market tops or bottoms; or
- Insulate you from losses due to market corrections or declines.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

The minimum account size is generally \$100,000. Please discuss with your IAR whether any particular requirements or annual fees exist related to account size, etc.

The types of clients in the Program include individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities. JDLA, in its sole discretion, may reduce its investment management fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

JDLA allows its IARs to act as Portfolio Managers (“RPM” or “Rep as Portfolio Manager”). Generally, IARs conduct research and analysis through the use of third-party providers. JDLA IARs may also use financial newspapers, magazines, journals, company press releases, annual reports, prospectuses, and filings with the SEC. JDLA generates quarterly performance reports with comparisons to selected benchmarks.

Selection of Portfolio Managers

Portfolio managers are selected based on client's goals and objectives, as well as their needs. Separately managed accounts are typically considered for high-net worth individuals who are tax sensitive. When choosing the ideal portfolio manager, we consider the following:

- Stewardship Partners is recommended when a client is looking for investments that align with their Christian worldview by giving proper consideration to the moral fabric of the companies of which they become part owners.
- Lederer and Associates is recommended to client who are looking for a concentrated equity portfolio in which they have to ability to work closely with the manager for strategic charitable donations of appreciated stock as well as the ability to harvest some tax losses from time to time.
- Capital Group separately managed accounts are typically recommended for high-net-worth clients who like the way Capital Group manages their mutual funds, but would prefer avoiding embedded capital gains on a non-qualified account. This recommendation comes primarily to clients who are very tax sensitive.

Portfolio Manager Performance

We monitor performance on a regular basis to ensure that our client goals and objectives are being met. In addition, we monitor the other priorities considered for the recommendation to ensure those needs are being met. For example, we (i) ensure the tax benefits of holding individual securities over mutual funds is effective, (ii) ensure the Biblically responsible investments in the Stewardship Partners strategies are being implemented, and (iii) regularly confirm that the portfolio managers selected are continuing to meet the client's current goals and objectives.

We manually calculate quarterly performance of our Stewardship and Lederer accounts to report them as a single line item on our Portfolio Valuations that we send our clients. These Portfolio Valuations are in addition to the official statements that are provided by the custodian.

Performance Calculations May Not be Uniform and Consistent

We review performance information to determine or verify its accuracy or its compliance with presentation standards. We, however, do not use 3rd parties to verify or check the performance calculation of our software. If so, briefly describe the nature of the review and the name of any third party conducting the review. As a result, because portfolio manager performance information does not undergo a validation process, there is no assurance that performance information is calculated on a uniform and consistent basis. In other words, it may not be calculated on a uniform and consistent basis.

IARs/Related Persons as Portfolio Manager for Your Account

JDLA's IARs manage your account (discretionary authorization) and also provide ongoing investment advisory services in a non-discretionary way related to your account. In

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discretionary account scenarios, our IARs determine the level and volume of trading. Because the trading costs are absorbed by JDLA, Schwab and its TPAMs, there is a conflict of interest to trade less frequently to reduce the costs of JDLA, Schwab and the TPAMs. There is also an incentive to seek discretionary authorization over accounts in order to reduce the trading costs.

This conflict of interest is handled by disclosure and also by ongoing reviews by the CEO and CCO to evaluating account allocation and trading activity, including conducting periodic evaluations to assess whether “reverse churning” exists, which is the practice of assessing account an AUM fee, but engaging in no or very little account activity or rebalancing, which suggests there is not ongoing account oversight (no continuous and regular supervisory services). If such issues or concerns are detected, the CEO and CCO addresses it with the IAR.

Aside from the JDLA IAR serving as a Portfolio Manager, there are no other Related Parties who serve as a portfolio manager. Thus, there is not a selection process for Related Persons. With respect to the IARs, there is not a formal selection process for which IAR manages a client portfolio. Generally, each IAR establishes the client relationships and “onboards” the clients themselves and also manages the account once an investment advisory relationship is established. However, the President does from time-to-time transfer accounts managed or advised by him to other IARs. Such transfers to another IARs is oftentimes a matter of transition planning by the President, but also a function of whether the President has enough time to dedicate himself to each account and so he also transitions clients to other IARs who can allocate the time each account deserves.

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

JDLA generally collects information about our clients through their client profiles and new account applications. Privacy is an important issue for all involved parties, and there are various regulations that govern the handling of personally identifiable information. JDLA’s Privacy Policy is initially given to the Client upon the opening of an account and is subsequently provided at least annually thereafter and upon request to JDLA advisory Clients. In order to provide investment services, JDLA solicits information concerning a client’s name, address, financial situation, investment experience, tax status, tax reporting information and other personal non-public information.

Client information is shared with JDLA IARs who act as Portfolio Managers for our Wrap accounts, and potentially with TPAMs.

Each client completes the appropriate Portfolio Manager’s new account forms and Investment Management agreements. Any subsequent changes after the initial onboarding is provided to the managers from JDLA as needed.

ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

There are no restrictions placed upon your ability to contact and consult with your IAR who manages your account. In general, it is best to contact your IAR for questions, concerns, to update personal information, or obtain account information. However, if you utilize 3rd party managers, such communication should be channeled through your IAR at JDLA. That being said, you are not restricted to contacting any 3rd party managers so long as you have signed an investment advisory agreement directly with them.

ITEM 9 – ADDITIONAL INFORMATION

DISCIPLINARY INFORMATION

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material in your evaluation of JDLA or its management. JDLA does not have a material disciplinary history, and does not have any disciplinary history in the past ten years.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Various JDLA's IARs are also RRs of our broker/dealer, and, in that capacity, they also solicit, recommend, offer, and sell securities through JDLS Securities, a registered broker-dealer with the SEC and a member of FINRA and SIPC. They are also licensed as insurance agents and hold insurance licenses in the states where they solicit, offer, and sell insurance products and are appointed with and represent various insurance companies. As such, IARs are able to receive separate, yet customary commission compensation resulting from the purchase and sales of securities and insurance product transactions on behalf of their investment advisory clients. However, they should not receive commission for the assets in the Wrap account since all such fees related to the Wrap Platform should be enveloped within the Wrap fee.¹⁵

JDLA strives to:

- Disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our advisory fees;
- Evaluate whether the conflicts should be mitigated, eliminated or whether, if immaterial, they can remain if disclosed to the Client;
- If the conflict remains, disclose the capacity in which JDLA or our employees/IARs are

¹⁵ For securities outside of the Wrap Fee Program, Clients are not under any obligation to purchase or sell securities or insurance products through the IAR when considering whether to implement any investment advisory recommendations made by the IAR. The decision to implement any or all recommendations is solely based on the discretion of the client.

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acting in the transaction and whether any compensation is to be earned by the employees/IARs;

- Disclose any interest that JDLA or our employees have in the transaction which may be adverse to your interest;
- Clients are not obligated to purchase recommended investment products from our firm or related parties;
- JDLA conducts transaction reviews and periodic account reviews to assess whether recommendations and account composition appear suitable and in the Best Interest of the Client (such reviews are not a guarantee, and you are encouraged to notify our Transaction Review Team if you feel that your account is not positioned in a way that is in your Best Interest)
- Employees are required to seek approval of outside business activities; and
- We educate our employees regarding the responsibility of a fiduciary, including the need for having a reasonable basis for believing the investment advice provided to Clients.

CODE OF ETHICS

JDLA maintains a Code of Ethics for its IARs, supervised persons, and staff. As discussed below, JDLA has in place an Investment Advisory Code of Ethics that provides for JDLA and its IARs to discharge their fiduciary duty to Clients and to act in the best interest of the Client, avoiding conflicts of interest or, when permissible in light of our fiduciary duty, mitigation and disclosure of conflicts of interest would be acceptable. JDLA takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations, as well as with JDLA's policies and procedures. Further, JDLA strives to handle Clients' non-public information in such a way to protect information from use and disclosure to others who do need to know such information, and our Privacy Policy address certain uses and restriction of personally identifiable information.

The Code of Ethics contains provisions for standards of business conduct to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about Client transactions.

JDLA's Code of Ethics is distributed to each employee and IAR at the time of hire/contract, and as the Code is modified. In addition, JDLA requires an annual certification by all employees/IARs regarding their understanding and compliance with the Code of Ethics. JDLA also supplements the Code with annual training and ongoing monitoring of IAR activity.

A copy of JDLA's Code of Ethics will be provided to any Client or prospective Client upon request to our Chief Compliance Officer at (949) 752-9096. It is also available under the disclosures section of JDLA's website.

CONFLICTS OF INTEREST

Our IARs have incentives to increase the amounts in your accounts when their fee structure is based upon the value of investments in your account. So, they may encourage you to invest or transfer as much of your assets possible from other accounts, or otherwise request you fund your investment account with non-investment assets.

Wrap Fee pricing encourages IARs to minimize account activity/transactions to reduce the costs to JDLA, which may not be in your best interest if the account investment objectives warrant a more active trading strategy.

Account Rollover recommendations presents a conflict of interest because IARs have an economic incentive to recommend you to rollover your retirement plan into an JDLA advisory program account.

Because the Wrap Fee “bundles” all services and transactions into 1 cost, it could quite possibly result in higher overall fees assuming a certain level of transactions and other services that you may want or experience in your account. You may be able to get the same services, paying separate fees for each service, at a lower aggregate fee to you.

Because using 3rd Party Asset Managers away from the Schwab Platform are more expensive, JDLA has a conflict of interest to recommend those managers rather than offering its own investment advice to clients for account held in custody at Schwab. However, while it would be more expensive to you, the Client, the portion of the fee to JDLA at .75% may not be higher than what JDLA would receive by using Schwab and advising itself on those accounts. The determination of when to use 3rd Party Asset Managers away from Schwab should, therefore, as with all other decision, be assessed through the prism of your best interest.

When our personnel serve in the capacity as a RR or an insurance agent, IARs have a conflict of interest when they solicit, offer and sell securities and insurance products for which you would pay a commission, while also soliciting, offering and selling investment advisory services and managing the assets in your accounts and charging a separate investment advisory fee. JDLA addresses this conflict of interest by requiring the IAR to disclose to you at the time a brokerage account is opened through JDL Securities Corporation, the nature of the transaction or relationship, his or her role as an JDL Securities Corporation RR, and any compensation including commissions that are paid by you and/or received by the IAR. Moreover, our IARs, beyond mere disclosure, should disclose and support why each securities purchase and portfolio allocation is in your best interest, and if our IARs are collecting an AUM fee for providing investment advisory/management services, they, absent compelling justification, not also charge a commission because such a dual compensation structure is not generally considered as in the Best Interest of the Client.

It is your responsibility to promptly notify us if there is a change in your financial situation or investment objectives. You are not obligated to use JDLA for securities transactions or individual insurance provider products.

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Because JDLA's advisory fees and those of the other 3rd Party Asset Managers within the firm's advisory program are based on assets under management, JDLA and those T3rd Party Asset Managers have a conflict of interest in valuing securities held in Client accounts since a higher valuation produces higher advisory fees. To ensure that Client assets are accurately valued, for purposes of calculating fees, securities listed on any national securities exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which they are traded. Any other securities or investments shall be valued in a manner determined in good faith to reflect fair market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets. Our custodians, in their sole discretion, may use the services of an independent valuation agent, as well as other independent sources with respect to the computation of market value of securities. The data contained in those reports has not been verified by JDLA.

PERSONAL TRADING

From time to time, our Firm or one or more supervised persons purchases or own the same securities and investments that our IAR recommends to their Clients. Conflicts of interest arise when a supervised person has personal accounts because they can potentially devote more time to monitoring his/her personal accounts as opposed to spending that time reviewing and monitoring Client accounts. In addition, while JDLA specializes in mutual fund allocations, to the extent that other securities may be purchased, there is a potential that IAR's favor their personal accounts over Client accounts. If and when, for example, the recommendation to the Client involves individual stocks, stock options, bonds, and other general securities, there can be a conflict of interest with the Client because the IAR has the potential to engage in practices such as "frontrunning", scalping, and other activities that are potentially detrimental to Clients. We have adopted policies and procedures designed to prevent such conflicts and/or correct/address any detected activities that are not in full compliance. Moreover, we strive to fully disclose all material conflicts, including prohibition against more material conflicts such as trading ahead of our Clients.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

JDLA IAR's must execute securities transactions through JDLA, its affiliated broker/dealer or its Wrap Program providers, unless IARs obtain authorization to execute securities transactions through another firm. Related persons of JDLA (any advisory affiliate and any person that is under common control with JDLA) can buy or sell securities identical to those securities recommended to Clients. Therefore, related persons will have an interest or position in certain securities that are also recommended and bought or sold to Clients. The policy of JDLA is that related persons shall not put their interests before a Client's interest. IARs may not trade ahead of their Clients or trade in such a way to obtain a better price for themselves than for their Clients. JDLA is required to maintain a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. JDLA and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

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In accordance with Section 204A of the Investment Advisers Act of 1940, JDLA also maintains and enforces written policies and procedures reasonably designed to prevent the misuse of non-public information by JDLA or any person associated with JDLA. Further, the Code of Ethics contains prohibitions against such transactions. No JDLA IAR or related person is permitted to recommend securities to advisory accounts or buy or sell covered securities for advisory accounts on the same day, prior to entering a client order.¹⁶ JDLA requires that all registered employees' brokerage accounts be held at JDLA. If an employee cannot obtain needed services at JDLA, it requires copies of all brokerage statements be provided to it directly from the third-party broker.

REVIEW OF ACCOUNTS

JDLA's Chief Executive Officer reviews customer and IAR transactions on a daily basis.

Otherwise, IARs are responsible for providing investment advice and conducting ongoing reviews for your respective accounts. Therefore, you will need to contact your IAR for the most current information and status of your account(s). We suggest you meet with your IAR annually to determine if your objectives are being met. Your IAR can perform reviews more frequently at your request, or if you notify your IAR about a change that would trigger a review, such as a marriage, divorce, new job, loss of income, other change in financial conditions, change in overall investment objectives and risk tolerance, etc. IARs are also expected to review accounts that has experienced significant declines in order to reevaluate whether or not the account and investment strategy is still current and appropriate in light of recent market and issuer/securities or issuer-specific events.

You will receive statements directly from account custodians monthly if there is activity in the account and quarterly if there is no activity in the account. Some platforms include quarterly performance reporting that is delivered by the custodian. If requested, IARs will prepare performance reports for you. JDLA urges you to review the contents of the custodial statements and compare them against the reports provided directly from IAR. Accounts managed by other money managers send you reports (refer to their ADVII/Brochure for a description of their services).

FINANCIAL INFORMATION

JDLA is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to Clients. Also, JDLA has never filed or been the subject of a bankruptcy petition.

¹⁶ JDLA's current general policy prohibits trading in the same day as the client in securities (*unless mutual funds and certain other securities exempted within the industry standards applicable to Codes of Ethics regulations governing investment advisers*). JDLA Covered Person are prohibited from trading in the same listed security as client 3 days before and 7 days after orders are entered for the client in the same security.