



Firm Brochure  
(Part 2A of Form ADV)

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This Brochure provides information about the qualifications and business practices of John Moore & Associates, Inc. (JMA). If you have any questions about the contents of this Brochure, please contact us at (505) 881-5100 or [info@johnmoore.com](mailto:info@johnmoore.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

John Moore & Associates, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about John Moore & Associates, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published "Amendments to Form ADV," which amends the disclosure document we provide to clients as required by SEC Rules.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

The Material Changes section of this Brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update  
Nothing to report

### Full Brochure Available

Currently, our Brochure may be requested, free of charge, by contacting us at (505) 881-5100 or emailing [info@johnmoore.com](mailto:info@johnmoore.com).

Additional information about John Moore & Associates, Inc is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with John Moore & Associates, Inc. who are registered, or are required to be registered, as investment adviser representatives of John Moore & Associates, Inc.

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## **Item 4 – Advisory Business**

John Moore & Associates, Inc (hereinafter "we, us, Firm, JMA") was founded in 1997. We are located in Albuquerque, NM. JMA provides investment management services in a variety of equity, fixed income, and balanced strategies. We provide investment advisory services through separately managed accounts to various clients, including business organizations, private pensions, trusts, foundations, charitable organizations, high net worth individuals, and other entities.

We provide personalized asset management services to our clients that help them meet their financial goals, using their objectives, time horizons, and risk tolerance. Peace of mind comes with better education and financial planning.

The firm is owned by Brian Cochran, Emily Cochran, and the Cochran Trust. JMA provides investment advisory services to individuals, trusts, retirement accounts (Individual Retirement Accounts, pensions, and profit-sharing plans).

### **JMA Asset Allocation**

The JMA Asset Allocation Model is designed to provide broad equity exposure through ownership of multiple mutual funds that represent specific asset classes in terms of investment manager style and market capitalization of the underlying stocks or bonds owned by the mutual funds. This model can also hold funds that invest in "alternative" asset classes. These funds can utilize strategies such as short selling, managed futures, etc.

JMA provides multiple blends of assets within the framework of the Asset Allocation Model. For example, one version of this model has 70% domestic stocks, 10% international stocks, 10% bonds, and 10% alternative investments. Another version reduces the domestic stocks to 50% and increases the bond investment to 30% of the portfolio.

The objective of this fund is to generate returns competitive with the US stock market while provided lower volatility. Even so, the Asset Allocation Model is subject to potentially significant market value fluctuations.

### **JMA Dynamic Equity**

The Dynamic Equity Model utilizes a proprietary quantitative model to determine a company's potential value and relative risk based on earnings forecasts, current interest rates, dividend yield, inflation rate, and several other factors. This quantitative method is designed to identify companies with price potential significantly above current market price and that have risks significantly below typical market risks. The Dynamic Equity Model relies on strict buy and sell disciplines utilizing a multi-dimensional screening

process that provides suggested companies for purchase. Companies are added in allocations of 4-6% depending on the number of screens passed, with a limit of 20 total companies to be held at any time. The lowest-performing positions are sold based on a strict sell discipline. The sell criteria can result in increased cash allocation in periods when no companies pass screens.

The model's objective is capital appreciation with reduced equity exposure during periods of less attractive market characteristics. The concentrated nature of the strategy and the ability to raise cash may result in periods of outperformance relative to equity benchmarks in either up or down market environments.

### **JMA Managed Bond**

The Managed Bond strategy seeks to provide clients with a high-quality, intermediate term, laddered fixed-income portfolio. Portfolios may consist of municipal bonds (tax-free or taxable depending on client needs), investment grade corporate bonds, treasury bonds or certificates of deposit with maturities from 2-12 years. We seek to diversify the ladder across multiple states and sectors. Portfolios can be customized to client needs, including state of residence, duration, or taxability of bonds. Fixed income research and purchases are conducted through a collaboration with Nuveen Asset Management or SP Financial Group, a subadvisor on the account. Nuveen Asset Management receives a portion of our management fee. SP Financials compensation is built into the purchase price of each bond they buy for our clients.

The primary objective of the strategy is the preservation of principal and interest income. The strategy's short duration and high-quality nature are designed to limit default risk and interest rate risk.

### **JMA Income**

The JMA Income Model is designed to generate income higher than that available from other fixed income investments. It primarily invests in closed-end bond funds. Other income generating assets (such as Master Limited Partnerships and Real Estate Investment Trusts) may also be held in this portfolio. The objective of this fund is cash flow first. There can be significant market value fluctuations, normally somewhat less than the US stock market.

### **JMA Equity Income**

The Equity Income Model Portfolio combines a top-down sector approach with bottom-up stock selection to attempt to provide a diversified, Large Cap income-oriented equity portfolio solution. It is a diversified portfolio of 20 predominantly large capitalization companies followed by Raymond James or another of our research providers.

The portfolio is designed to produce long-term total returns by combining current and growing dividends with appreciating share prices. The dividend yield of the portfolio is expected to exceed the dividend yield of the S&P 500.

**JMA Equity (formerly JMA CAPx Model)**

The Equity Model utilizes a proprietary quantitative model to determine the potential value of a company based on forecast earnings, current interest rates, dividend yield, and several other factors. This valuation technique is designed to create a higher potential value for companies that are growing their profits faster than the "average" company that is publicly traded. This valuation model can also provide useful analytics for the broader market by breaking down common indices such as the S&P 500, NASDAQ, etc.

Valuations created by the Equity model are the basis for additional screening of results to provide "short lists" of stocks that fit certain criteria such as earnings growth, dividend yield, etc. These shortlists allow more in-depth analysis of these companies to determine their inclusion in the actual portfolio owned by clients.

The Equity model is normally comprised of 15-25 individual stocks or exchange-traded funds. These stocks can be of any size company but will normally be companies growing their earnings faster than the average publicly-traded company.

Because of the concentrated number of holdings in the portfolio, it can be subject to substantial market fluctuations. It can also be subject to extended periods of "streaky" performance. In other words, there can be periods when the portfolio will significantly underperform or outperform appropriate benchmarks. This "streakiness" is an important characteristic that makes this portfolio not suitable for every investor.

JMA does provide portfolio management services for wrap fee programs, but we do not sponsor wrap fee programs. Our wrap fee accounts are by and large managed the same as non-wrap fee accounts. A portion of the wrap fee is paid to us as compensation for our services.

Certain securities may be held in the client's account and designated "Administrative-Only Investments". The Administrative-Only Investments are generally Client-designated. Client-designated Administrative-Only Investments may be designated by financial advisors that do not wish to collect an advisory fee on certain assets. For example, a financial advisor may arrange with a client that holds a security that the financial advisor did not recommend or the client wishes to hold for an extended period of time and does not wish for their financial advisor to sell for the foreseeable future. In such cases, the financial advisor may elect to waive the advisory fee on this security but allow it to be held in the client's advisory account – such designations fall into the Client-designated category.

PLEASE NOTE: Due to Department of Labor ("DOL") regulations, the designation of Client-designated Administrative-Only Investments and the maintenance of such positions in the client's account are not permissible in DOL-impacted retirement

accounts (such as IRAs and employer-sponsored retirement plans). The underlying premise of this prohibition is that the maintenance of assets in an advisory account that are not being assessed an advisory fee introduces a potential conflict that the financial advisor's advice may be biased due to their not being compensated on this asset. As a result, the financial advisor may recommend a course of action in their and not the client's interest (such as selling the security to increase the financial advisor's compensation). Raymond James has elected to preserve the ability for clients and their financial advisors to designate assets as Client-designated Administrative-Only in their non-DOL impacted accounts in order to maintain client choice and avoid the need to maintain a separate account to hold these securities or cash. Nevertheless, while Raymond James cannot accommodate this level of flexibility in DOL-impacted retirement accounts, clients can choose to maintain securities or cash in their brokerage account that they do not wish to be assessed an advisory fee. Administrative-Only Investments will not be included in the Account Value when calculating applicable asset-based advisory fee rates.

JMA assesses advisory fees on cash sweep balances ("cash") held in advisory accounts.

Cash balances are generally expected to be a small percentage of the overall account value in EHNW, Freedom, Freedom UMA, MDA, RJCS, RJRP, and Russell managed accounts. However, cash balances may fluctuate at any given time at the discretion of the portfolio manager or the AMS Investment Committee, as applicable. However, Freedom offers the Defensive Conservative Strategy, which includes a 50% cash allocation, and the Defensive Balanced and Defensive Growth Strategies, which include a 20% cash allocation. These Strategies are intended to provide clients the flexibility of raising cash in their Freedom account while maintaining continued market exposure. Clients selecting one of these Defensive Strategies should understand the cash balance is subject to the asset-based advisory fee. Due to the high cash allocation of the Defensive Strategies, clients should periodically re-evaluate whether their selection of such a strategy is appropriate in light of their financial situation and investment goals.

Billing cash balances, particularly when the cash balance is maintained for an extended period of time or comprises a significant portion of the Account Value, may create a financial incentive for a financial advisor to recommend maintenance of this cash versus investing in an otherwise advisory fee-eligible security. For example, it's generally expected that the advisory fee will be higher than the interest a client will earn on this cash balance through their sweep account, so the client should expect to achieve a negative return on this portion of their account. However, such cash balances will not be subject to market risk (that is, risk of loss) associated with securities investments. As a

result, clients should periodically re-evaluate whether their maintenance of a cash balance is appropriate in light of their financial situation and investment goals and should understand that this cash may be held outside of their advisory account and not subject to advisory fees.

Assets under management as of December 31, 2022, were:

Discretionary:	\$573,827,363.00
Non-Discretionary:	<u>\$148,744,555.00</u>
Total:	\$722,571,918.00

## Item 5 – Fees and Compensation

Our standard Fee Schedules is as follows:

Strategy	Account value	Annual Fee
Equity, Dynamic Equity, Equity Income, JMA Growth, JMA Balanced, JMA Balanced with Growth or Freedom	Up to \$300,000	1.25%
Equity, Dynamic Equity, Equity Income, JMA Growth, JMA Balanced, JMA Balanced with Growth or Freedom	\$300,001-\$500,000	1.13%
Equity, Dynamic Equity, Equity Income, JMA Growth, JMA Balanced, JMA Balanced with Growth or Freedom	\$500,001 to \$3,000,000	1.00%
Equity, Dynamic Equity, Equity Income, JMA Growth, JMA Balanced, JMA Balanced with Growth or Freedom	\$3,000,001 to \$5,000,000	0.85%
Equity, Dynamic Equity, Equity Income, JMA Growth, JMA Balanced, JMA Balanced with Growth or Freedom	Over \$5,000,000	Negotiable
Managed Bonds and Income	Up to \$1,000,000	0.88%
Managed Bonds and Income	\$1,00,001-\$3,000,000	0.77%
Managed Bonds and Income	\$3,000,001 to \$5,000,000	0.66%
Managed Bonds and Income	Over \$5,000,000	Negotiable
Cash Management, Annuities and Non-Strategy Holdings	Up to \$1,000,000	0.25%
Cash Management, Annuities and Non-Strategy Holdings	\$1,000,001 to \$3,000,000	0.15%
Cash Management, Annuities and Non-Strategy Holdings	\$3,000,001 to \$5,000,000	0.10%
Cash Management, Annuities and Non-Strategy Holdings	Over \$5,000,000	Negotiate
Freedom SMA	Up to \$1,000,000	1.75%
Freedom SMA	\$1,000,001 to \$3,000,000	1.50%
Freedom SMA	\$3,000,001 to \$5,000,000	1.25%
Freedom SMA	over \$5,000,000	Negotiable
Freedom UMA	Up to \$1,000,000	1.50%
Freedom UMA	\$1,000,001 to \$3,000,000	1.25%

Freedom UMA	\$3,000,001 to \$5,000,000	1.00%
Freedom UMA	over \$5,000,000	Negotiable

Additionally, there is a nominal Processing Fee for the execution of each trade in ICA accounts as follows:

Security Type	Processing Fee
ICA Equity/ETF/CEF/UIT trade	\$0.00 per trade
ICA Non-NTF Mutual Fund trade	\$19.95 per trade
ICA Option trade	\$0.00 + \$0.65 per contract
ICA Fixed Income trade	\$14.95 per trade
ICA Prime Brokerage trade	\$25 per trade

The specific manner in which JMA charges fees is established in a client's written agreement with JMA. JMA will generally bill its fees quarterly in advance. However, some accounts are billed monthly in advance. The frequency at which fees are collected will be established in the client's written agreement with JMA. Clients may elect to be billed directly for fees or authorize JMA to debit fees from client accounts directly. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. All fees are subject to negotiation.

JMA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that the client shall incur. Clients may incur certain charges imposed by custodians, brokers, third party investment, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to JMA's fee, and JMA shall not receive any portion of these commissions, fees, and costs.

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. After that, the quarterly asset-based fee is paid in advance, is based on the account asset value as of the last business day of the previous calendar quarter, and becomes due the following business day. If cash or billable securities, or a combination thereof, amounting to at least \$100,000, are deposited to or withdrawn from your account on an individual business day in the first two months of the quarter, Raymond James will: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro-rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro-rata number of days remaining in the quarter. No additional asset-based fees or adjustments to previously assessed asset-based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by you. Notwithstanding the above \$100,000 adjustment threshold, Raymond James reserves the right, in its sole discretion, to process or not process fee adjustments when the source and destination of deposits and withdrawals involve a client's other fee-based advisory accounts. For example, a transfer of \$100,000 into a joint account funded from two \$50,000 withdrawals from separate accounts will have the \$100,000 billed in their joint account and each of the other accounts will be refunded previously assessed fees on the separate \$50,000 withdrawals for the pro-rata period remaining in the quarter.

When purchasing mutual fund shares for a client's account, a client is subject to various fees and charges, including, but not limited to, the cost of portfolio management, creating account statements, account services, recordkeeping, commissions, and legal services. The particular fees and charges a client will pay are generally determined by the share class that the client purchases. Some share classes are subject to either a front-end sales charge or a deferred sales charge and may be appropriate when implementing a pure buy and hold strategy. Other share classes impose a higher ongoing fee (12b-1 fee) which is retained by Raymond James & Associates (RJA). There are limitations on the availability of share classes to clients based on RJA and the funds themselves. These limitations may be imposed by the RJA if, for example, RJA's platform only makes certain share classes available. The funds themselves impose certain limitations, such as minimum investment requirements. We seek to use the lowest cost share class available while considering the client's investment time horizon and preference. We require that pre-approval be obtained for any mutual fund investments where the lowest cost expense ratio share class available is not used. On a quarterly basis, we review mutual fund holdings to identify any non-advisory share class holdings and to evaluate for share class exchange. For assets held outside of any wrap fee programs, clients will typically incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to our fee.

Item 12 further describes the factors that JMA considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

#### RETIREMENT ROLLOVER CONFLICTS OF INTEREST

When JMA recommends you rollover a retirement account for it to manage, this creates a financial incentive because JMA charges a fee for its services. JMA attempts to mitigate the conflict of interest by acting in your best interest and applying an impartial conduct standard to all rollovers. Please note that you are not under any obligation to roll over a retirement account to an account managed by JMA.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Performance-based fee arrangements involve paying fees based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. JMA does not use a performance-based fee structure or participate in any side-by-side management.

### **Item 7 – Types of Clients**

JMA provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations. Our minimum relationship requirement is \$300,000.00. This minimum can be waived at our discretion.

### **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss**

**Investing in securities involves the risk of loss that clients should be prepared to bear.**

#### **JMA Investment Process**

The JMA investment process begins with an in-depth dialogue with each prospective client. This dialogue is designed to establish the foundation for a long-term relationship with the client and determine if the firm and the potential client can work effectively together to fill the needs of the client and their family. This dialogue is also designed to

facilitate an appropriate risk assessment to determine each client portfolio's proper mix of investments.

Actual investment selection will be determined in consultation with the client. Individual stock and bond portfolios can be utilized in addition to open-end and closed-end mutual funds. JMA has specific models that utilize these investment vehicles. See the paragraph below for information on these models.

When appropriate, we may utilize non-JMA managers available on platforms provided by other firms. Normally we will rely primarily on the platform provider for money manager due diligence. Non-JMA managers will normally be utilized to provide specific skills and/or investment processes not supported by our team members.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of JMA or the integrity of JMA's management.

In June 2018, JMA voluntarily participated in the Share Class Disclosure Initiative with the US Securities and Exchange Commission (SEC). JMA did not feel that they had failed to make required disclosures relating to our selection of mutual fund share classes that paid us a fee pursuant to Rule 12b-1 of the Investment Company Act of 1940 (12b-1) when a lower-class for the same funds were available to clients. We chose to participate in this initiative because our custodian, Raymond James, had in prior years paid some 12b-1 fees to JMA that should have been paid to the client.

The fees were refunded to the clients by February 12, 2019. On March 25, 2019, the SEC notified us that they had concluded their review of our filing and did not intend to recommend an enforcement action by the Commission against JMA.

## **Item 10 – Other Financial Industry Activities and Affiliations**

JMA is one of several investment advisers that provide investment management services for Zia Trust Inc.

## **Item 11 – Code of Ethics**

JMA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor-mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at JMA must acknowledge the terms of the Code of Ethics annually or as amended.

JMA anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which JMA has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which JMA, its affiliates and/or clients, directly or indirectly, have a position of interest. JMA's employees and persons associated with JMA are required to follow JMA's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of JMA and its affiliates may trade for their own accounts in securities that are recommended to and/or purchased for JMA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of JMA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of JMA's clients. In addition, the Code requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by a team member. Team member trading is continually monitored under the Code of Ethics to prevent conflicts of interest between JMA and its clients reasonably.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with JMA's best execution obligation. The affiliated and client accounts will share commission costs equally and receive securities at a total average price in such circumstances. JMA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to entering the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rata basis. Any exceptions will be explained on the Order.

JMA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jami Schwalm.

It is JMA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. JMA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or

sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

If a client requests a broker-dealer, the applicant may recommend Raymond James & Associates (RJA). The client is, however, under no obligation to transact securities through RJA. If a client chooses to use a broker-dealer other than RJA, the applicant's role would be limited to that of a consultant. RJA provides JMA with research reports and other data without additional compensation.

JMA does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject and does not initiate or pursue legal proceedings, including without limitation shareholder litigation, on behalf of clients with respect to transactions, securities or other investments held in client accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation, with respect to transactions, securities, or other investments held in a client account is expressly reserved to the client.

Soft dollar benefits are not limited to those clients who may have generated a particular benefit, although certain soft dollar allocations are connected to specific clients or groups of clients.

### **MUTUAL FUND INVESTMENTS AVAILABLE THROUGH OUR CUSTODIAN, RAYMOND JAMES**

Clients should be aware that only those mutual fund companies with which our custodian, Raymond James, has a selling agreement with will be available for purchase from Raymond James and are generally limited to those fund companies that provide Raymond James with compensation, including but not limited to Education and Marketing Support, Networking, and/or Omnibus fees (Sub-Accounting, Sub-Transfer Agency, and Administrative Fees), see further description below. As a result, not all mutual funds available to the investing public will be available for investment at Raymond James. Clients should not assume that share classes with the lowest available expense ratio are available. Eligibility for various share classes offered by

mutual funds to be used as part of the Advisory or Managed account programs is determined by the mutual fund and disclosed in the fund's prospectus. Per the fund's prospectus, Raymond James evaluates the share classes for which the relevant advisory program is eligible, and it aims to recordkeeping and related services (also known as "Sub-TA Fees") at the individual account level. This means that JMA may not select the lowest cost share class for which the program is eligible (because there may be a less costly share class that does not charge Sub-TA Fees).

Moreover, while JMA seeks to avoid using share classes that charge 12b-1 fees as part of its advisory programs, if such share class is the only means by which Raymond James can collect Sub-TA Fees from the fund, JMA will use that share class and credit the 12b-1 fee to the client's account(s). The use of a more costly share class will reduce the performance of a client's account. Rule 12b-1 fees will be credited to client accounts bi-monthly, as applicable. The use of a more costly share class will reduce the performance of a client's account. Note that JMA does not incentivize to recommend or select share classes with higher expense ratios because their compensation is not affected by the chosen share class. JMA, through Raymond James, will also select a 12b-1 share class instead of a non-12b-1 share class if necessary to be eligible to collect marketing and education support payments from mutual fund advisers and affiliates. Such payments are not paid out of fund assets and will not affect a client's investment performance. These 12b-1 fees, too, will be rebated to client accounts.

## **Item 13 – Review of Accounts**

Model portfolios are reviewed weekly by the Investment Team. This includes Brian Cochran, Daniel Jameson, Joseph Limke, Matthew Miller, Cole Leonida, Greg Hartenbower, John Onesti, and Bethany Filer.

Client accounts are reviewed monthly by the operations area to ensure that individual client portfolios align with the model portfolios. Clients are kept fully informed about their portfolio activity by receiving copies of all transaction confirmations and monthly/quarterly statements from their brokerage firms and/or custodians (note: clients have the option to suppress confirms if they so choose).

## **Item 14 – Client Referrals and Other Compensation**

JMA does not pay for any outside services for client referrals, nor do we receive any payments for outside referrals.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker-dealer, bank, or other qualified custodians that hold and maintains the client's investment assets. We urge our clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

JMA usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, JMA observes the investment policies, limitations, and restrictions of the clients for which it advises. For registered investment companies, JMA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to JMA in writing.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, JMA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. JMA may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about JMA's financial condition. JMA has no financial commitment that impairs its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding. We do not require

the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this Brochure.

## Brochure Supplements

### ***Our Privacy Pledge to You***

We value your business and the trust you have placed in us. We will safeguard your personal financial information, and we will remain vigilant in protecting your account. Listed below are some of the things we do to protect the confidentiality and security of your data:

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***People*** – We restrict access, both physically and electronically, to your account information to only those people who are directly involved in administering your trust.

***Policies and Procedures*** – We operate within written Policies and Procedures that cover all aspects of administering trusts and providing accurate accounting and client statements. These procedures provide the environment and disciplines that safeguard your information.

***Security*** – We use modern information security measures to prohibit unauthorized access to your files from computer hackers and anyone not authorized to enter our systems. We use such measures as workstation passwords to control access, and we maintain system access controls.

***Selling Information*** - We do not sell information about you to any entity.

***Disclosing information*** – We do not disclose any non-public information about you to anyone except as permitted by law. The governmental regulatory agency responsible for overseeing our business is given full access to account information as required by law. We allow access to account information to our outside independent auditor on a confidential basis and to affiliated companies to the extent necessary to fulfill contractual obligations in servicing your account. Examples would include access to account files for investment review and management and access to electronic files to create monthly client statements.