

Item 1: Cover Page
Part 2A of Form ADV: Firm Brochure

March 2023



January Capital Advisors LLC

CRD# 177514

855 Sansome Street, 3rd Floor

San Francisco, CA 94111

www.JanuaryCapital.co

Jeffrey Hodges
Chief Compliance Officer

This brochure provides information about the qualifications and business practices of January Capital Advisors LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (415) 494-2790. 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. Additional information about January Capital Advisors LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of January Capital Advisors LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure

January Capital Advisors, LLC. is required to notify clients of any information that has changed since the last annual update of the Firm Brochure ("Brochure") that may be important to them. Clients can request a full copy of our Brochure or contact us with any questions that they may have about the changes.

Since the last annual amendment filed on 03/30/2022, the following changes have been made:

- Our firm no longer provides brokerage services to our clients as registered representatives of LPL Financial, LLC. However, our firm still recommends the custodial services of LPL Financial, LLC

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Item 4: Advisory Business

January Capital Advisors LLC (the “firm”) is a limited liability company formed in the State of California in 2014. Our firm has been in business as an investment adviser since 2015 and is owned by Jeffrey Hodges.

Advisory Services

Comprehensive Portfolio Management:

Our Comprehensive Portfolio Management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person, if possible, otherwise via telephone conference) with clients to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of ETFs, mutual funds, individual stocks or bonds, or other securities. Upon the client’s agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client’s portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client’s investments.

Pension Consulting:

We provide pension consulting services to employer plan sponsors on a one-time or ongoing basis. Generally, such pension consulting services consist of assisting employer plan sponsors in establishing, monitoring, and reviewing their company’s participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment options, plan structure and participant education. All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

Tailored Services & Restrictions:

We offer individualized investment advice to clients utilizing our Comprehensive Portfolio Management service. Additionally, we offer general investment advice to clients utilizing our Financial Planning & Consulting and Pension Consulting services. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Participation in Wrap Fee Programs

We offer wrap fee programs as further described in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”) of our Brochure to clients with over \$500,000 invested with our firm. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance, etc. Wrap fee accounts are managed the same as non-wrap fee accounts. We receive a portion of the wrap fee assessed for our services.

Discretionary and non-discretionary client assets

As of December 31, 2022, our firm manages \$221,249,641 on a discretionary basis.

Item 5: Fees & Compensation

Comprehensive Portfolio Management:

The maximum annual fee to be charged to the Client’s account(s) will not exceed 1.00%. The fee to be assessed on each account will be detailed in the client’s LPL Account Application and is according to the following fee schedule, unless a legacy fee schedule has been determined:

<u>Total Annual Client Fee Rate</u>	<u>Asset Tier</u>
0.95%	of the first \$1,000,000 of managed assets, plus
0.85%	of the next \$2,000,000 of managed assets, plus
0.75%	of the next \$2,000,000 of managed assets, plus
0.65%	of the next \$2,500,000 of managed assets, plus
0.50%	of the next \$2,500,000 of managed assets, plus
0.25%	over \$10,000,000 of managed assets

Accounts will be reviewed on a quarterly basis to monitor for Clients who accumulate more than \$500,000 in managed assets. Clients who accumulate \$500,000 or more in managed assets will have their accounts converted to our wrap fee services using the same fee schedule as stated above. In this service, our firm will absorb transaction charges for investment trades. Please see our Wrap Brochure for more information.

Our firm’s minimum aggregate account size is \$500,000 in investable assets. This minimum is negotiable at the discretion of our firm. For LPL accounts, fees are billed on a pro-rata basis quarterly in advance based on the value of your account on the last day of the previous quarter. For Charles Schwab accounts, fees are billed on a Monthly basis based on the average daily balance of the previous month. Fees are negotiable, will be adjusted for all deposits and withdrawals made during the quarter and will be deducted from your account. As part of this process, Clients understand the following:

- a) Charles Schwab and LPL as the client’s custodian sends statements at least quarterly, showing all disbursements for each account, including the amount of the advisory fees paid to our firm;
- b) Clients provide authorization permitting Charles Schwab and LPL to deduct these fees;
- c) LPL calculates the advisory fees for all fee schedules and deducts them from the client’s account; and

- d) Charles Schwab accounts, the firm calculates the fees and instructs the custodian to deduct fees.

Pension Consulting:

The maximum annual fee to be charged will not exceed 1.00% of the Plan's assets under management. The fee-paying arrangements for pension consulting service will be determined on a case-by-case basis and will be detailed in the signed Pension Consulting Agreement.

Other fees or expenses clients such as custodian fees or mutual fund expenses:

Non-Wrap fee Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). Please see Item 12, Brokerage Practice for further details.

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our separate Wrap Fee Program Brochure.

Termination:

For LPL accounts, we charge our advisory fees quarterly in advance and for Charles Schwab accounts, we charge our advisory fees on a monthly basis based on the average daily balance of the previous month. Clients will need to contact our firm in writing, stating the wish to terminate our advisory contract. Upon receipt, LPL or Charles Schwab will refund the pro-rata unearned portion of our advisory fee.

Commissionable Securities Sales:

Our firm and representatives do not sell securities for a commission in advisory accounts.

Item 6: Performance-Based Fees & Side-By-Side Management

We do not charge performance-based fees.

Item 7: Types of Clients & Account Requirements

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit-Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types

Our firm's minimum aggregate account size is \$500,000 in investable assets. This minimum is negotiable at the discretion of our firm.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis: January Capital Advisors' primary method of analysis is fundamental analysis. Our investment process includes both top down and bottom-up fundamental research and analysis as well as investor psychology and sentiment indicators that help inform the portfolio construction process. We attempt to measure the intrinsic value of a security and their aggregate markets by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate short-term market movements which presents a potential risk as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

Technical Analysis: We may analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and anticipate future price movement. Technical analysis does not consider the underlying financial condition of a company which presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Trend Analysis: We often apply trend-following aspects to the portfolio management of some of our strategies. Trend analysis is a technique used in technical analysis that attempts to anticipate stock or market price movements based on recently observed trend data, such as moving averages, relative strength, momentum indicators, and support/resistance trend lines.

Investment Strategies

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

Alternative Investment Strategies: Our firm may invest in alternative investments, such as Private Real Estate, Business Development Companies; Private Equity, Hedge Fund, Managed Futures, and other potentially illiquid strategies.

Long-Term Purchases: When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically, we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. The potential risks associated with this investment strategy involve a lower-than-expected return for multiple years. Lower-than-expected returns that last for a long time and/or that are severe in nature would have the impact of dramatically lowering the ending value of your portfolio, and thus could significantly threaten your ability to meet financial goals.

Short-Term Purchases: When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. The potential risk associated with this investment strategy is associated with the currency or exchange rate. Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated vis-à-vis one's home currency may add risk to the value of a security. Currency risk is greater for shorter term investments, which do not have time to level off like longer term foreign investments.

Please Note: Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could realize a gain, it is also possible that the stock market may decrease, and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

There are certain additional risks associated when investing in securities; including, but not limited to:

- Market Risk: Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk: When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Inflation & Interest Rate Risk: security prices and portfolio returns will likely vary in response to inflation and interest rates changes. Inflation causes future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed-income investments to decline.
- Risks Associated with Fixed Income: When investing in fixed income instruments such as bonds or notes, the issuer may default on the bond and be unable to make payments. Further, interest rates may increase, and the principal value of your investment may decrease. Individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power.
- ETF and Mutual Fund Risk: When investing in an ETF or mutual fund, a client will bear additional expenses based on the client's pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of

owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.

- **Liquidity Risk:** Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.
- **Management Risk:** Your investments will vary with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If you implement our financial planning recommendations and our investment strategies do not produce the expected results, you may not achieve your objectives.

Other Information: Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our Comprehensive Portfolio Management service, as applicable.

Item 9: Disciplinary Information

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a management person has been involved in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the management person's favor, or was reversed, suspended, or vacated, or (2) the event is not material. For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

Item 10: Other Financial Industry Activities & Affiliations

Representatives of our firm are licensed insurance agents. They may offer products and receive normal and customary commissions as a result of these transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn. To mitigate this conflict of interest, representatives of our firm will recommend products based solely on the client's best interests.

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

Code of Ethics adopted pursuant to SEC rule 204A-1:

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers, and employees for their personal accounts². To monitor compliance with our personal trading policy, we review all associates transactions quarterly.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. To minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

¹ Our Related Persons are any advisory affiliates and any person that is under common control with our firm. Advisory Affiliate: Our advisory affiliates are (1) all of our officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by us; and (3) all of our current employees (other than employees performing only clerical, administrative, support or similar functions). Person: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

² For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children, or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. To minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

Item 12: Brokerage Practices

While our firm does not maintain physical custody of client assets, we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts (see *Item 15 Custody*, below). Client assets must be maintained by a qualified custodian. Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in mind, our firm recommends that clients establish brokerage accounts with Charles Schwab or LPL, members FINRA/SIPC. Clients are advised that they are under no obligation to implement our recommendations and may choose a broker-dealer at their discretion. Clients may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services.

Products & Services Available to Us From Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least \$10 million of our clients' assets in accounts at Schwab.

Services that Benefit Client

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a

significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients or their account(s).

Services that May Not Directly Benefit Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

Research & Other Soft Dollar Benefits:

We do not receive soft dollars generated by the securities transactions of our clients. The term "soft dollars" refers to funds which are generated by client trades "commission rebates or credits" being used by our firm to purchase products or services (such as research and enhanced brokerage services) from or through the broker-dealers whom our firm engages to execute securities transactions. In addition, neither our firm nor our related person(s) have authority to determine, without specific client consent, the broker-dealer to be used in any securities transaction or the commission rate to be paid.

Our firm, however, does receive some "eligible" products and services under safe harbor as determined under the Securities and Exchange Act, Section 28(e). These products and services include national, regional or investment adviser specific educational events organized and/or sponsored by LPL; professional compliance; legal and business consulting; publications and conferences on practice management; information technology; business succession; employee benefits providers; human capital consultants; insurance; and marketing. In addition, LPL may make

available, arrange and/or pay vendors for these types of services rendered to our firm by independent third parties. LPL may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. While, as a fiduciary, our firm endeavors to act in its clients' best interests, Adviser's recommendation that clients maintain their assets in accounts at LPL may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided by LPL, which may create a potential conflict of interest.

As a result of receiving such "eligible" products and services for no cost, we may have an incentive to continue to place client trades through broker-dealers that offer those products and services. This interest conflicts with the clients' interest of obtaining the lowest commission rate available. Therefore, we must determine in good faith, that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers. Our firm examined this potential conflict of interest when we chose to enter into the relationship with LPL and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Brokerage for Client Referrals:

Our firm does not refer clients to particular broker-dealers in exchange for client referrals from those broker-dealers.

Directed Brokerage:

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are affected.

Our firm routinely recommends that clients direct us to execute through a specified broker-dealer. Our firm recommends the use of Charles Schwab and LPL.

Aggregating Orders (known as bunching or block trading):

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation.

Investment or Brokerage Discretion

We provide discretionary portfolio management services where the investment advice provided is custom tailored to meet the needs and investment objectives of each client. Accordingly, we are authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of securities to be purchased/sold and the amount of securities to be purchased/sold. We do not have discretionary authority over the broker or dealer

to be used.

Suggestion of Brokers to Clients

We shall recommend Charles Schwab and LPL. LPL is the broker-dealer with which our representatives are also associated. As a result of the individual association of our representatives with LPL, we are generally required to utilize the brokerage/custodial services of LPL for investment advisory accounts. Our general policies relative to the execution of client securities brokerage transactions are as follows:

Execution of Brokerage Transactions (when applicable)

In seeking “best execution”, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. Schwab and LPL also takes into consideration the full range of a broker-dealer's services including execution capability, commission rates, and responsiveness. Although Charles Schwab and LPL will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for all account transactions.

Over-the-Counter (OTC) securities transactions are generally effected based on two (2) separate broker-dealers: (1) a “dealer” or “principal” acting as market-maker; and (2) the executing broker-dealer that acts in an agency capacity. Dealers executing principal transactions typically include a mark-up/down, which is included in the offer or bid price of the securities purchased or sold. In addition to the dealer mark-up/down, the client may also incur the transaction fee imposed by the executing broker-dealer. We do not receive any portion of the dealer mark-up/down or the executing broker-dealer transaction fee.

Transactions for each client account will be affected independently. We individually review each client's account and place trades accordingly. Despite being purchased or sold at approximately the same time, all clients' transactions will incur individual transaction fees.

Item 13: Review of Accounts or Financial Plans

We review accounts on at least a quarterly basis for our clients subscribing to our Comprehensive Portfolio Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We do not provide written reports to clients, unless asked to do so. Reports to clients either in person or over the phone take place on at least an annual basis when we contact clients who subscribe to our Comprehensive Portfolio Management service.

Only our Financial Advisors or Portfolio Managers will conduct reviews. We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Pension Consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to Pension Consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Pension Consulting clients do not receive written or verbal updated reports regarding their pension plans unless they choose to contract with us for ongoing Pension Consulting services.

Item 14: Client Referrals & Other Compensation

Additional Compensation

We receive from LPL or a mutual fund company, without cost and/or at a discount non-soft-dollar support services and/or products, to assist us to better monitor and service client accounts maintained at such institutions. Included within the support services we receive investment-related research, pricing information, market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations.

Our clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no commitment made by us to LPL or any other institution as a result of the above arrangement.

To help facilitate the transition of January Capital Advisors' clients to LPL Financials' custodial platform, our Investment Adviser Representatives ("IARs") received transition support from LPL Financial in the form of a forgivable loan. The amount of the upfront loan represents a substantial payment and forgiveness of the loan and accrued interest is contingent upon the IARs' continued association with LPL Financial as a registered representative for the duration of the loan. Although the loan does not require that our IARs maintain a certain level of client assets with LPL Financial, this presents a conflict of interest in that our IARs have a financial incentive to maintain a relationship with LPL Financial to benefit by having the loan forgiven. However, to the extent that our IARs recommend that clients use LPL Financial, it is because the IARs believe that it is in the clients' best interests to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 202(a)(1)-1 under the Advisers Act.

Item 15: Custody

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody.

As such, our firm has adopted the following safeguards in conjunction with the account custodian:

- The client provides an instruction to the qualified custodian, in writing, which includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from

time to time.

- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction. We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Item 16: Investment Discretion

Clients must provide our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, we are authorized to execute securities transactions, which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

Item 17: Voting Client Securities

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write, or email us to discuss questions they may have about particular proxy votes or other solicitations.

Item 18: Financial Information

We are not required to provide financial information in this Brochure because we do not require the prepayment of more than \$1,200 in fees and six or more months in advance and we do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.