

JSB Capital Management, LLC

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[www.JSBcap.com](http://www.JSBcap.com)

This Brochure provides information about the qualifications and business practices of JSB CAPITAL MANAGEMENT, LLC. If you have any questions about the contents of this Brochure, please contact us at (858) 436-2400 or [julia@JSBcap.com](mailto:julia@JSBcap.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.

JSB CAPITAL MANAGEMENT, LLC 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 whether to hire or retain an Adviser.

Additional information about JSB CAPITAL MANAGEMENT, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Dated March 08, 2022

## **Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. Our original Brochure dated January 25, 2012 was a new document prepared according to the SEC’s new requirements and rules.

This brochure dated March 08, 2022 amends our brochure from March 11, 2021. There were no material amendments made to this document.

We will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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

Currently, our Brochure is available on our website at [www.jsbcap.com](http://www.jsbcap.com) or on request by contacting Julia E. Bussie, CMT at (858) 436-2400 or by email at [Julia@jsbcap.com](mailto:Julia@jsbcap.com). The Brochure will also be provided to all clients and potential clients as required by the State of California.

Additional information about JSB CAPITAL MANAGEMENT, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with JSB Capital Management, LLC who are registered, or are required to be registered, as investment adviser representatives of JSB Capital Management, LLC.

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## **Item 4 – Advisory Business**

### Overview of JSB Capital Management, LLC

JSB Capital Management, LLC is a single member limited liability company formed in January, 2012. Julia Bussie is the President of JSB.

JSB Capital Management, LLC (JSB) manages client accounts for a percentage of assets under management. Annual fees range between .85% and 1.50% and are negotiable based upon the size and complexity of each client account. The fees are calculated quarterly based on assets under management at the beginning of each quarter and are paid at the beginning of each quarter. Certain long-standing clients may have fee schedule arrangements substantially lower than the fee arrangements prevailing for other clients.

All JSB accounts are handled on a fully discretionary basis. JSB currently has over \$12 million in discretionary assets under management. JSB has no Non-Discretionary clients, although JSB may occasionally accept unsolicited orders from clients.

JSB Capital Management may on occasion review outside investments for clients and may, for this advice, charge a fee to be negotiated with and agreed to by the client before services are rendered.

Financial Planning services are available on a one-time basis or as a continuing service. Fees are based on the level of Planning selected. Flat fees range from \$250 to \$2500. Continuing Planning is charged quarterly at an annual rate of .5% of assets up to a maximum of \$2500.

JSB does not use or participate in Wrap Fee programs.

### Other Services Not Included Above

Services may be offered on a one time or limited basis, thereby allowing for a fee based on hours worked. JSB may, at client request, review investments not managed by JSB and may charge a fee for this work of \$250/hour subject to negotiation. Any such fee will be agreed to by the client in writing before work begins. JSB acknowledges that lower fees for comparable services may be available from others.

### Additional Information

Normally, assets for which JSB provides investment management services are/will be held at nationally recognized broker/dealers who are members of the Securities Investor<sup>4</sup>

Protection Corporation (SIPC). Securities purchased through broker/dealers may incur transaction charges. JSB does not share in any commissions or fees charged by the broker/dealers. Clients should also be aware that mutual funds incur investment management fees and other expenses that are in addition to (and unrelated to) the fees charged by JSB described above.

JSB provides basic financial planning services in accordance with prudent asset allocation decisions. Each client is interviewed to determine their risk tolerance, their intermediate and long-term investment objectives and their individual cash flow needs. At no time is the client obligated to act on our recommendations and the client can choose to transact our recommendations through any other party. For more sophisticated financial planning services, JSB may charge a fee depending on the actual hours spent in data gathering, analysis, document production and in-depth counseling required. Fees will be determined on an individual basis.

## **Item 5 – Fees and Compensation**

### **Advisory Fees**

Fees are billed quarterly in advance based on the portfolio value at the beginning of the quarter, fixed fee agreed to, or hourly fees for completed work. Clients may terminate our service at any time without penalty upon giving of written notice. Fees paid in advance by the client will, upon termination, be prorated to the date of termination and the unearned portion of such fees will be immediately refunded to the client.

### **Investment Management Fee Schedule**

Accounts are managed on a fully discretionary basis unless otherwise instructed by client.

The annual fee for service is based on a percentage of the client's total assets managed.

First \$1,000,000.....	1.50%
\$1,000,001- \$3,000,000.....	1.25%
\$3,000,001 - \$5,000,000.....	1.00%
Above \$5 million.....	0.85%

Lower fees for comparable services may be available from other sources.

The specific manner in which fees are charged by JSB is established in a Client's written agreement with JSB. JSB will generally bill its fees on a quarterly basis. Clients

are billed in advance each calendar quarter. Clients may elect to be billed directly for fees or to authorize JSB to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). 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.

JSB's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. 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 JSB's fee, and JSB shall not receive any portion of these commissions, fees, and costs.

#### Financial Planning Fee Schedule

Fees for financial planning are charged either as a flat fee or as a percent of liquid assets. Flat fees are charged for one-time plans at \$250 for a review of a retirement plan, \$1000 for a limited lifetime income plan, or \$2500 for a full financial goal plan. For continuing planning services, fees are charged as a percent of liquid assets at an annual rate of .25% up to a maximum of \$1500 annually for a limited lifetime income plan or at .5% up to \$2500 for a full financial goal plan. Financial planning fees are charged either in advance or in arrears according to the agreement signed and at the client's discretion. The client can cancel the agreement within five days at no cost. After five days, fees charged in advance are subject to a prorated refund.

#### Material Conflicts

Although no material conflicts are anticipated at this time, JSB will disclose to clients in writing any material conflicts of interest that may develop relating to the advisor, its representatives or any of its employees or related persons which could be reasonably expected to impair the rendering of unbiased and objective advice as delineated in CA CCR Section 260.238.

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

### **Item 6 – Performance-based fees and side-by-side Management**

JSB Capital Management, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Item 7 – Types of Clients**

JSB Capital Management, LLC (JSB) may provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, registered mutual funds, private investment funds, trust programs, sovereign funds, and other U.S. and international institutions.

JSB's account minimum is set at \$250,000. However, JSB reserves the right to accept smaller accounts depending on the situation. JSB does not have any other account requirements or restrictions aside from those accounts that may be legally prohibited.

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

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

JSB's investment management style can be described as macroeconomic based, top-down, sector rotation. The guiding principle behind sector rotation as an investment philosophy involves the interrelationship between the business (growth) cycle and the individual components of the economy as they experience either a favorable or unfavorable economic environment. When the economy begins to measurably slow down the Federal Reserve Bank (The Fed) lowers short-term interest rates as a stimulus. A declining interest rate environment, for example, favors many companies in the financial industry (sector) and the slowing economy can often favor the consumer staples that people tend to buy regardless of the economic environment. These are just two scenarios that can be realized in a typical business cycle adjustment and there can be no guarantee that they will occur in every instance, however they serve as reasonable examples of investment decisions that might be made which would potentially impact the investment allocation to any particular sector.

As the lower interest rates ultimately begin to stimulate economic growth and capital formation and investment, certain industries historically recover more quickly than others, such as the technology and telecommunication industry in general, and they often become the more favorable investments early in a recovery. Eventually economic growth takes hold more widely and becomes further established across the economic spectrum, consumer spending on non-essential items (also known as durables) typically increases measurably leading to higher profits for industries such as the airlines, entertainment, and retail providers, to name a few. When the economy is perceived to be at its highest growth rate for the given cycle, companies that produce industrial products, capital goods and basic materials such as steel and aluminum are often at their peak earnings capability.

Historically, The Fed has endeavored to determine when the potential exists that an overheated economy might produce inflation and they will typically act preemptively to raise interest rates accordingly. The resultant economic slowdown from the higher cost of capital brought on by, in part, a higher interest rate structure engineered by The Fed typically favors sectors such as consumer staples, health care and the energy (including public utility) industry.

## **Material Risks**

The investment process of sector rotation attempts to anticipate the often subtle inflection points in the business cycle and corresponding interest rate adjustments described above and endeavors to act as preemptively as possible to rotate from one advantaged sector to the next by investing in those companies analyzed to be the best positioned to take advantage of the most probable ensuing economic environment. The risk in this investment process includes evaluation errors from analyzing numerous macro-economic data that might lead to an incorrect determination of the actual position of the economy and the associated sectors of the market in any given business cycle. Also, although certain historical relationships are relatively consistent, there can be no guarantee that the actual performance of any sector or industry will mirror the performance of any previous cycle. In addition, once the various sectors are chosen as the ones appropriate to underweight, overweight or equal-weight, depending on their composition in a major index such as the Standard & Poor's 500 Index, there is a material risk that any given sector will not perform as predicted given the uncertainty of all economic cycles.

In addition, the investments made in each chosen sector and industries are typically comprised of individual securities, most often individual stock and/or bonds of publicly traded companies. The success of this investment strategy therefore relies in good measure on the financial analytical capability of the investment committee of JSB, and the quality of the data provided by the public disclosures and reports of each publicly traded entity.

The investment decision process also utilizes technical analysis, which is a method of evaluating securities by analyzing statistics generated by market activity, as a guideline to help ameliorate risk associated with the timing of entry and exit price levels for stock and stock derivative investments within the context of the economic cycles. As with macroeconomic analysis, there can be no guarantee that any investment will repeat historical patterns of price movement or that decisions based on this type of analysis are without material risk.

Also, the decision on which individual investment to make on behalf of the client includes such items as the evaluation of an appropriate price entry point, the amount to allocate to each client's portfolio (depending on the parameters of their individual investment goals most significantly) and the determination on when to sell each investment and it relies on the capabilities of the investment management committee to make those decisions. There can be no guarantee that the selection process just described will produce positive results

in all cases as investing in securities entails risk of loss that all clients should be prepared to bear.

### **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 JSB or the integrity of JSB's management. JSB has no information applicable to this Item.

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

JSB may provide consulting and non-discretionary advisory services to 401(k), non-qualified, and other corporate and non-profit retirement plans. The services are created to serve the needs of the Plan sponsor (plan level) and Plan Participants (participant level). JSB provides two distinct, yet equally important services to the Plan Sponsor; (1) the Advisor assists in the analysis, design and implementation of investment programs for retirement plans, both start-ups and existing plans; and (2) the Advisor may provide a full range of fiduciary management services.

JSB may also work with different Plan Providers in delivering its services. The Advisor receives no compensation from any Plan Provider, investment vehicle offered in the retirement plan, or any other independent, third party source associated with the plan.

Services provided at the plan level include: (1) selection of Plan Provider; (2) cost analysis; (3) Investment Policy Statement; (4) selection of asset classes; (5) selection and monitoring of investment options; (6) structuring investment education program; and (7) Board/Committee guidance.

Services provided at the participant level may include; (1) newsletters; (2) model-portfolio strategies; and (3) group and individual investment guidance. JSB also offers investment management services to participants who meet the Advisor's qualifications.

Fees for retirement plan management and consulting are charged as a percentage of the assets under management. Fees are negotiable.

JSB does not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

#### **Affiliations**

##### **The Chartered Market Technicians Association**

The Chartered Market Technicians Association (CMTA), formerly the Market Technicians Association (MTA), is a not-for-profit professional regulatory organization servicing over 4,100 market analysis professionals in over 75 countries around the globe. The CMTA's main objectives involve the education of the public, the investment community and its membership in the theory, practice and application of technical analysis.

The CMTA has the following stated mission:

- Attract and retain a membership of professionals devoting their efforts to using and expanding the field of technical analysis and sharing their body of knowledge with their fellow members.
- Establish, maintain, and encourage the highest standards of professional competence and ethics among technical analysts.
- Educate the public and the investment community of the value and universality of technical analysis.

The CMTA mission is accomplished through the effective execution of a wide variety of professional services including, but not limited to, Seminars, local Region/Chapter meetings, the maintenance of an extensive library of technical analysis material and the regular publication of Newsletters and Journals.

CMTA members and affiliates include technical analysts, portfolio managers, investment advisors, market letter writers and others involved in the technical aspects of equities, futures, options, fixed income securities, currencies, international markets, derivatives, etc. Services provided to our members and affiliates are performed by a NYC based [Headquarters staff](#), an active [Board of Directors, Committee Chairs](#) and an extensive cadre of volunteers located in both U.S. and non-U.S. markets.

The Chartered Market Technician (CMT) Program is a certification process in which candidates are required to demonstrate proficiency in a broad range of technical analysis subjects. Administered by the CMT Board of Governors of the Chartered Market Technicians Association (CMTA), Inc., the Program consists of three levels. CMT Level 1 and CMT Level 2 are multiple choice exams while CMT Level 3 is in essay form. The objectives of the CMT Program are:

- To guide candidates in mastering a professional body of knowledge and in developing analytical skills;
- To promote and encourage the highest standards of education; and

- ❑ To grant the right to use the professional designation of Chartered Market Technician (CMT) to those members who successfully complete the Program and agree to abide by the MTA Code of Ethics.

In order to be granted a CMT designation, a member must meet the following requirements:

- ❑ Successful completion of all three (3) levels of the CMT Exam.
- ❑ Have obtained '[Member Status](#)' within the CMTA.
- ❑ Have been gainfully employed in a professional analytical or investment management capacity for a minimum period of three (3) years and must be regularly engaged in this capacity at the time of successfully passing all three (3) levels of the CMT Exam.

For more information, go to [www.cmtassociation.org](http://www.cmtassociation.org).

### American Association of Professional Technical Analysts (AAPTA)

The American Association of Professional Technical Analysts is a nonprofit organization for experienced professionals applying Technical Analysis to the markets. AAPTA provides a place to share ideas, information, research, and analytical techniques in an atmosphere of openness, trust and cooperation.

AAPTA incorporated as a nonprofit organization in 2004 and became a member of the International Federation of Technical Analysts in 2006.

AAPTA applicants must meet stringent requirements, including professional employment in an analytical or investment-management capacity for a minimum of seven years. Applicants must be sponsored by two members of AAPTA, display high standards of ethical and professional behavior, and then be approved by the board.

### **Item 11 – Code of Ethics**

JSB may occasionally place orders with brokers which from time to time include orders for both clients and employees of JSB. In every case, price per share is allocated equally as an average price per share. All employee trades are reviewed daily for any potential conflicts or potential problem areas.

JSB, its' employees, and family-related accounts may, from time to time, purchase and sell investment securities recommended to clients. In all cases, client transactions will always be given first priority. Where such buys and sells are not harmful to the firm's clients, the transactions may be included in block trades placed with broker-dealer or Prime Brokerage arranged broker-dealer for the firm's clients. No advisory client, firm employee, or family-related account is favored over any other in block trades. All clients

participating in the aggregated order shall receive an average share price with all other transaction cost shared on a pro-rata basis.

JSB has adopted a firm policy statement establishing trading guidelines and control procedures. A written procedure statement exists outlining the steps taken to implement firm policy. Those procedures include:

A related person may not knowingly purchase (sell) for his/her personal account and those of his/her immediate family or in an account in which he/she has a beneficial interest, ahead of firm's clients. A related person cannot execute transactions in their own account(s) that are the opposite of what advice the firm is providing to its clients. All security transactions by a related person for his/her personal account and those of his/her immediate family and for any account(s) in which he/she has a beneficial interest, are reviewed by the Advisor's compliance officer on a quarterly basis.

JSB and its associated persons may purchase or sell specific securities for their own accounts based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

#### Code of Ethics

JSB Capital Management, LLC 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 JSB must acknowledge the terms of the Code of Ethics annually, or as amended.

JSB Capital Management, LLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which JSB has management authority to effect, and will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which JSB, its affiliates and/or clients, directly or indirectly, have a position of interest. JSB's employees and persons associated with JSB are required to follow JSB's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of JSB and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for JSB's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of JSB 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 own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that 13

these would materially not interfere with the best interest of JSB'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 an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between JSB and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with JSB's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. JSB will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of 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.

JSB's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Julia E. Bussie, CMT.

It is JSB's policy that the firm will not affect any principal or agency cross securities transactions for 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**

JSB has discretionary authority to buy and sell securities that trade on a listed national securities exchange or NASDAQ for the majority of its clients. In those cases, the client specifies the objectives and investment guidelines within which JSB exercises its discretion. In some cases, clients authorize JSB to act upon recommendation(s) made on their behalf, and in others, clients enter their own security transaction orders. Recommended securities

include stocks, bonds, and mutual funds. Client restrictions and/or limitations on discretionary authority are established at account opening.

JSB has the authority to determine the amount of securities bought or sold for clients, unless otherwise instructed at the time of account opening.

Broker-dealers are recommended for purpose of providing ease of trading, electronic reporting, custody of assets, depth of investment products and options available, cost, back office support, and other miscellaneous factors deemed important to JSB in serving the needs of its clients. There are no assurances that certain features and investment products cannot be obtained at other broker-dealers for less cost. JSB does not share in any commissions or other fees charges by broker-dealers. Neither JSB, nor any associated persons has any ownership interest in selected broker-dealers, and none is anticipated in the near future. JSB may receive research and/or electronic data for no cost, which is used for all clients regardless of the broker-dealer used.

Commissions and/or transaction fees are charged for individual stock and bond transactions. Where JSB buys or sells the same security for two or more clients, JSB may place concurrent orders with the executing broker-dealer, to be executed together as a single "block" order to facilitate orderly and efficient execution. Whenever JSB does so, each account on whose behalf an order was placed, will receive the average price and will bear a proportionate share of all transaction costs, based on the size of that account's order.

JSB has a fiduciary responsibility to obtain "best execution" on behalf of its clients. In evaluating whether a broker-dealer will be able to provide best execution, JSB considers the following key factors; (1) obtaining the best price; (2) the speed of execution; (3) the certainty of execution; and (4) the commission rate or spread. In selecting broker-dealers to effect transactions on an agency basis, JSB considers, in addition to the broker-dealers ability to provide best execution, the value of any research products and services provided by a broker-dealer. Research products and services provided to JSB as part of the normal custodial relationship may include research reports on particular industries and companies; economic surveys, data, and analysis; and products or services (e.g. computer services and equipment, including hardware, software and databases) that provide lawful and appropriate assistance to JSB in the performance of its investment decision making responsibilities. JSB does not participate in or accept any soft-dollar arrangements.

While JSB may periodically renegotiate fees with brokers-dealers, clients may be able to purchase recommended mutual funds and individual stocks and bonds outside the Advisor's program at little or no cost and without JSB's advisory fee. Clients should also **14**

be aware that, in addition to the investment advisory fee charged by JSB, each mutual fund and exchange traded fund charges its own separate management fee and other expenses. These fees are commonly referred to as the funds “expense ratio”.

JSB does not direct any client transaction to a particular broker-dealer solely in return for products and research services rendered.

JSB uses TD Ameritrade Institutional, a division of TD Ameritrade, Inc. member FINRA/SIPC/NFA as custodian for most client accounts and receives institutional rates for brokerage transactions. (TD Ameritrade has been acquired by Charles Schwab Corporation and is slowly being integrated into the company. As that occurs, JSB expects to switch custodial responsibilities to Schwab.) JSB also uses Interactive Brokers, LLC, member NYSE/FINRA/SIPC/, and Millennium Trust Corp. as custodians for some client accounts. JSB has discretionary authority to determine broker-dealers to be used for purchase or sale of clients’ accounts when it is to the best advantage of the client. JSB, through Prime Broker agreements, may purchase some securities from other broker-dealers to provide broader access to bond or stock inventories. On occasion, JSB may receive institutional research from companies involved in the Prime Broker agreements; however the cost of the securities to the client is not increased as a consideration for receiving any research.

JSB may pay a broker a commission in excess of that which another broker might have charged for effecting the same transactions in recognition of the value of the brokerage and research services provided by the broker and used by the client and other accounts managed by the broker. JSB believes it is important to its investment decision-making process to have independent research. This research may be used in servicing all of its accounts and not all such services may be used in connection with all of the accounts which paid commissions to the brokers providing such research. JSB generally uses such products and services for the benefit of all JSB’s accounts, sometimes including accounts other than those that pay commissions to the broker-dealer that provided the products or services.

### **Item 13 – Review of Accounts**

The investment performance and composition of all accounts are reviewed on a quarterly basis or more frequently if conditions are warranted. Outside the quarterly reviews, reviews may be triggered by a (1) change in financial markets; (2) change in client’s circumstances; and/or (3) change in the Advisor’s opinion related to a company and/or industry.

As part of its investment management and monitoring services, JSB issues formal written quarterly reports which normally includes some or all of the following; (a) current market value of all accounts; (b) percentage breakdown of the portfolio by major markets and security types; (c) time-weighted return (net of fees) or internal rate of return (IRR), for the quarter, year-to-date, and since inception; and (d) comparative market indices of major asset classes. Additional reports such as gain-loss reports, income/expense reports, and projected income reports may also be included.

Special reports may be prepared based on the needs of a client or an account and provided more frequently than on a quarterly basis. The reports may also include the risk characteristics of the portfolio(s), and recommendation(s) for new investments or changes in existing investments. Custodians, independently, also provide monthly reports to all clients.

Reviews: Managed accounts are reviewed on a quarterly basis or more frequently if warranted by market action. All securities in managed accounts are reviewed daily and market prices are analyzed relative to risk parameters and objectives.

Reviewers: Julia E. Bussie, CMT, President, reviews accounts based on client investment objectives and risk tolerance on a regular basis. Quarterly detailed reviews are scheduled as requested with clients but are not mandatory.

All accounts receive confirmations of all trades and monthly statements from their third-party custodian. Clients may receive confirmations and monthly statements from the third-party custodian in either physical or electronic format at their discretion, but JSB recommends electronic format.

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

At this time JSB does not solicit nor compensate other professionals for referrals.

#### **Item 15 – Custody**

All client funds are held in third-party custodial accounts. JSB will not have a financial interest in any broker dealer, bank or qualified custodian that holds or maintains JSB client accounts. JSB has only constructive custody of client funds meaning JSB has written permission from clients to deduct management fees directly from their accounts but does not have any other custody of client funds or securities.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. JSB urges all clients to carefully review such statements and compare such official custodial records to the account statements that JSB may provide to you. Our statements may vary from custodial 17

statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

JSB 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, JSB observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, JSB'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 JSB Capital Management, LLC in writing.

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

As a matter of firm policy and practice, JSB 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 any and all securities maintained in client portfolios. JSB 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 JSB's financial condition. JSB has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding or petition.

Because JSB has Discretionary Authority over client accounts, JSB will adhere to and meet the following requirements under CA CCR Section 260.237.2:

- Maintain at all times a net worth of \$12,000.00
- Prepare an Income Statement and Balance Sheet in accordance with Generally Accepted Accounting Principles.
- Prepare and maintain a Minimum Financial Requirement Worksheet.
- Prepare a Verification Form regarding the above statements and accuracy.

### **Item 19 – Requirements for State-Registered Advisors**

A. Julia E. Bussie serves as President and sole officer of JSB Capital Management, LLC (JSB). Ms. Bussie established the firm in 2012 and is responsible for all aspects of the firm's investment policy, financial analysis and strategic asset allocation. Prior to founding JSB, Ms. Bussie was employed by Western Pacific Capital Management and was a member of their investment policy committee. In 1997, Ms. Bussie retired to manage her personal investments from a position as an Associate Vice President at A.G. Edwards where she was a futures market analyst. She was a member of the Chicago Mercantile Exchange and the Chicago Board of Trade providing trading advice and analysis to the A.G. Edwards branch network. Prior to this, she held positions at several investment firms where she was an integral member of the investment policy committees. Ms. Bussie graduated from Hope College, Holland, MI with a Bachelor of Arts degree in German in 1972. She attended Northwestern University Graduate School of Management in Chicago, IL before becoming involved in the commodities futures industry.

Ms. Bussie holds the Chartered Market Technician designation and has been active in the Chartered Market Technicians Association (CMTA). She has served twice on the Board of Governors including a term as Treasurer and was a member of the Board of Governors of the Chartered Market Technician program.

Please see the Curricula Vitae below for more information.

- B. Ms. Bussie is not actively involved in any business other than JSB.
- C. Neither JSB nor any supervised persons or associates are compensated with performance-based fees as these fees may create an incentive for an advisor to recommend an investment that may carry a higher degree of risk to the client.
- D. Neither JSB nor Julia Bussie has been involved in an arbitration claim or award or been found liable in a civil, self-regulatory organization or administrative proceeding.
- E. Neither JSB nor Julia Bussie has any relationship or arrangement with any issuer of securities.

### Curricula Vitae

Julia E. Bussie, CMT

President, JSB Capital Management

Birth date: 07/03/1950

<b>School</b>	<b>Years Attended</b>	<b>Year Graduated</b>	<b>Degree</b>	<b>Major</b>
Hope College, Holland, MI	1968-1972	1972	B.A.	German
Northwestern University Grad. School of Mgmt	1973-1975			Management
Market Technicians Association		1998	CMT	

<b>Name of Firm</b>	<b>Nature of Employment</b>	<b>Mo./Year</b>	<b>Mo./Year</b>
JSB Capital Management, LLC 322 Eighth St., Suite 100 Del Mar, CA 92014	President	01/2012	Current
Western Pacific Capital Management 322 Eighth St., Suite 100 Del Mar, CA 92014	Technical Analyst	02/2005	2012
Self-employed	Trader/Investor	09/1997	02/2005
AG Edwards 141 W Jackson Chicago, IL 60604	Analyst/ Assoc. V.P. Member - Chicago Mercantile Exchange Member - Chicago Board of Trade	07/1983	09/1997