

## **Introduction**

James Investment Research, Inc. (“JIR”) and James Capital Alliance, Inc. (“JCA”) are related firms and each are registered with the U.S. Securities and Exchange Commission (“SEC”) as an Investment Adviser. JIR provides research and investment advice to JCA. The services and fees charged by investment advisers and brokerage firms differ and it is important for you to understand the differences. The SEC offers free and simple tools to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS) which also provides information tailored to educate retail investors about financial professionals.

## **Relationships and Services**

*What investment services and advice can you provide me?*

We actively manage investment advisory accounts for retail investors on a continuous basis as part of our standard service. JIR manages individually tailored portfolios and serves as the primary investment adviser with a minimum account size generally of \$1,000,000. JIR also serves as the investment adviser to the James Advantage Funds (“JAF”), a family of open-end mutual funds. JCA acts as the sub-adviser or wrap program manager within a wrap fee program sponsored by a third party financial institution (“Sponsor”) whereby JCA is chosen to manage the assets maintained with the Sponsor with an account size generally beginning at \$100,000. The Sponsor typically charges a wrap fee, which covers all management services (including our management fee), custody expenses and transaction fees at the Sponsor firm.

Investment advisory accounts are managed on either a discretionary or non-discretionary basis to retail investors. Management of your individual account is guided by your investment objectives (i.e., maximum capital appreciation, growth, income, growth and income), as well as tax considerations. If you provide us discretionary authority, we will buy and sell investments on your behalf on an ongoing basis until you notify us otherwise in writing. Non-discretionary accounts are those where you make the ultimate decision regarding the purchase or sale of investments. You may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors, however, such departures could result in performance which is different from our other clients without restrictions.

The following links provide additional detailed information regarding services provided by JIR and JCA. Please specifically refer to “View latest Form ADV filed” under Items 4 and 7. JIR: <https://adviserinfo.sec.gov/firm/summary/110433> and JCA: <https://adviserinfo.sec.gov/firm/summary/107078>

*Questions you may wish to ask us:*

- *“Given my financial situation, should I choose an investment advisory service? Why or why not?”*
- *“How will you choose investments to recommend to me?”*
- *“What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”*

## **Fees, Costs, Conflicts and Standard of Conduct**

*What fees will I pay?*

Our fees are generally assessed quarterly in advance and paid as a percentage of assets under management. Fees charged by JIR are negotiable and are established in our written investment advisory agreement with you, but can range from 0.50% to 2.50%. Management fees for accounts in wrap fee programs managed by JCA generally range from 0.45% to 0.75%.

Asset-based fees associated with a wrap fee program will include most transaction costs and fees to a broker-dealer or bank that has custody of these assets, and therefore are higher than a typical asset-based advisory fee. Because we earn a fee equal to a percentage of your assets, our interests are aligned as we do better when you do better. At the same time some may consider it a conflict of interest in that this arrangement gives us an incentive to encourage you to invest more assets in an account we manage for you. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce

any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For more detailed information about our fees and costs please review our Form ADV, Part 2A brochure (specifically Items 5.A., B., C., and D.) which can be found at JIR: <https://adviserinfo.sec.gov/firm/summary/110433> and JCA: <https://adviserinfo.sec.gov/firm/summary/107078>

*You may wish to ask us:*

- *“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”*

*What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?*

*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. For example, JIR earns a management fee for advising the James Advantage Funds and may place shares of JAF in your account, however those assets would be excluded from JIR’s management fee for your account. Additionally, JIR earns management fees for providing research and investment advice to JCA, so JIR earns more money as JCA’s assets under management increase.*

*You may wish to ask us:*

- *“How might your conflicts of interest affect me, and how will you address them?”*

*How do your financial professionals make money?*

Our employees receive a base salary and an annual cash profit-sharing bonus. Portfolio managers are responsible for the day-to-day management of your investments and receive an additional bonus based on longevity and accounts managed. Relationship managers are responsible for attracting new clients, servicing existing accounts and other client requests and receive an additional bonus based upon clients and assets being serviced. Because employees receive bonuses based on profit-sharing, they may be incentivized to increase assets under management in order to increase our revenues earned from advisory fees.

### **Disciplinary History**

*Do you or your financial professionals have legal or disciplinary history?*

Neither the firm nor any of our employees have ever been subject to any censure or any other disciplinary actions by the SEC or any other regulatory authority. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

*You may wish to ask us:*

- *“As a financial professional, do you have any disciplinary history? For what type of conduct?”*

### **Additional Information**

For additional information about our services, including a copy of the relationship summary, please call us at 888-426-7640 or email us at [info@jamesinvestment.com](mailto:info@jamesinvestment.com).

*Questions you may wish to ask us:*

- *“Who is my primary contact person?”*
- *“Is he or she a representative of an investment adviser or a broker-dealer?”*
- *“Who can I talk to if I have concerns about how this person is treating me?”*