

**Part 2A of Form ADV: *Firm Brochure***

**James Investment Research, Inc.**

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This brochure provides information about the qualifications and business practices of James Investment Research, Inc. If you have any questions about the contents of this brochure, please contact us at 937-426-7640 or [lott@jamesinvestment.com](mailto:lott@jamesinvestment.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about James Investment Research, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 110433.

## Item 2 Material Changes

This Firm Brochure, dated 12/27/2023, provides you with a summary of James Investment Research, Inc.'s advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item provides our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

**Annual Update:** We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of September 30. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.

**Material Changes:** Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

Since the Firm's last annual amendment filed on 12/22/2022, the following material changes have occurred:

- Item 4 – Advisory Business
  - JIR offers discretionary and non-discretionary investment advisory services, and other services to employer sponsored retirement plans and their participants. The primary clients for these services are pension, profit sharing, and participant-directed, individual account plans (i.e., 401(k), 403(b), etc.).
- Item 5 – Fees and Compensation
  - The billing period for calculating JIR's management fees is either monthly or quarterly, as outlined in the Client Agreement or Financial Planning Agreement.
- Item 13 – Review of Accounts
  - JIR's Investment Committee consists of three portfolio managers. Four portfolio managers were reported at time of the prior Firm Brochure.
- Item 14 – Client Referrals and Other Compensation
  - JIR pays a referral fee to outside Promoters to refer potential clients to our firm.
- Item 15 – Custody
  - Certain clients have signed a broad standing letter of authorization that allows us to conduct business on their behalf with the custodian, including withdrawing assets to be sent to third parties, based on instructions provided by the client. Also, most clients have also provided consent for us to directly debit the client's custodial account to collect our management fees.

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#### **Item 4 Advisory Business**

James Investment Research, Inc. (JIR) is a SEC-registered investment adviser with its principal place of business located in Ohio. Registration does not imply a certain level of skill or training. James Investment Research, Inc. began conducting business in 1972.

The Francis Edward James Jr. Trust is the firm's sole owner. Trustees of the Trust include Iris R. James, Barry James and Frank James, III.

James Investment Research, Inc. offers the following advisory services to its clients:

#### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy for our individually managed accounts. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background, and other material aspects of a client's financial health and experience.

For separately managed accounts in wrap programs, discussions take place between the client and the client's broker and/or a James investment professional, whereby goals and objectives are established based on a client's particular circumstances. The broker develops a client's personal investment policy. The client's personal investment policy is sent to JIR and the portfolio is managed based on that policy. During the broker's and/or James investment professional's data gathering process, the broker and/or James investment professional determines the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, the broker and/or James investment professional also reviews and discusses a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Some clients have restrictions on securities that can be owned, such as socially responsible restrictions, or prohibitions from holding certain stocks for any reason. We generally accommodate clients on these restrictions, however, such departures from our generally established procedures and strategies could result in performance that differs from other clients without restrictions.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign securities
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper

- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Other\*

\*From time to time, conditions may be deemed especially favorable for purchases of open or closed-end mutual funds or money market mutual funds. These purchases could result in additional fees for the client, due to fees inherent in these types of securities. We also may use one or more of the mutual funds in the James Advantage Funds family in our private client portfolios, however we do not charge a management fee on private client assets invested in the James Advantage Funds so there is no doubling up of fees in that event. The James Advantage Funds are not held in model wrap fee accounts.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

Once a client's portfolio is established, a portfolio manager regularly reviews securities held in the account, aiming to customize it for the client's unique needs and goals. During these reviews, investment results are analyzed, the client's evolving needs are assessed, and adjustments to the investment strategy are made as necessary. Portfolio managers review portfolios out of company target ranges on a daily, weekly, or monthly basis. Senior management intervenes as needed.

The Investment Committee, consisting of three portfolio managers, reviews client portfolios, managing accounts in accordance with firm policies and client objectives. Initial client reviews document objectives and are updated based on client instructions or meetings.

### **MUTUAL FUND PORTFOLIO MANAGEMENT**

James Investment Research, Inc. serves as the investment adviser to the James Advantage Funds, an open-end investment company registered under the Investment Company Act of 1940, which offers several series of shares (mutual funds). As of December 27, 2023, the James Advantage Funds offered shares of the following mutual funds (each a "Fund"):

- James Balanced: Golden Rainbow Fund
- James Small Cap Fund
- James Micro Cap Fund
- James Aggressive Allocation Fund

JIR continuously manages each Fund's assets based on the investment goals and objectives as outlined in the Fund's prospectus.

Prior to investing in a Fund, investors and prospective investors should refer to the Prospectus and Statement of

Additional Information ("SAI") for important information regarding each Fund's objectives, strategies, risks, fees, and additional disclosures. These documents are available online at [www.jamesinvestment.com](http://www.jamesinvestment.com). The James Advantage Funds are distributed by Ultimus Fund Distributors, LLC.

### **INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT**

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

We manage these model portfolios on a non-discretionary basis via a unified managed account program, available with select broker-dealers. A unified managed account program gives clients the ability to strategically allocate a combination of professionally managed portfolios in one brokerage account. The allocation is based upon each client's investment objectives, including risk tolerance, and income needs.

Through personal discussions between the client and the client's broker and/or James investment professional, in which goals and objectives based on a client's particular circumstances are established, the broker and/or James investment professional will help determine if the model portfolio is suitable to the client's circumstances.

As a model portfolio manager, we provide ongoing recommendations and investment advice regarding the model portfolios. The client's broker-dealer will have discretion over the client's account, trade on behalf of the client, and be responsible for all reporting to the client.

### **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive either a written report or online access to their information, which provides the client with a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid, and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a financial analysis. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or financial advisor. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

We offer non-securities advice on various topics, such as tax and budgetary planning, estate planning, and business planning. Although our financial planning services may include an analysis, review, and recommendations for clients' tax situations and estate plans, it's important to note that our financial planners don't offer tax or legal services. If needed, our financial planners can collaborate with a third party to help align your estate plans with your overall financial goals.

### **RETIREMENT PLAN SERVICES**

Several advisory services are offered to corporate and public retirement plans, separately or in combination. The primary clients for these services are pension, profit sharing, and participant-directed, individual account plans (i.e., 401(k), 403(b), etc.).

We offer discretionary and non-discretionary investment advisory services, and other services to employer sponsored retirement plans ("Plans") and their participants in either an ERISA 3(38) fiduciary or ERISA 3(21) co-fiduciary capacity. Depending on the type of the Plan and the specific arrangement with the Plan sponsor, we may provide one or more of these services. Before being engaged by the Plan sponsor, we will provide a copy of this Form ADV Part 2A, our Privacy Policy, and the applicable Agreement containing the information required to be disclosed under Sec. 408(b)(2) of the Employee Retirement Income Security Act ("ERISA"), as applicable.

As a discretionary investment adviser to a qualified retirement plan, JIR assumes the fiduciary responsibility for the selection, monitoring, and replacement of the investment options of the Plan. We will work with the plan sponsor to determine an appropriate investment strategy that reflects the plan sponsor's investment policy statement ("IPS") for the plan. If the plan sponsor does not have an IPS, we can help draft an IPS in accordance with the plan sponsor's needs and goals. The plan sponsor has the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.

As a fiduciary, JIR is only responsible for those plan investments selected by JIR and JIR has no responsibility for any other Plan investments maintained in the Plan by direction of the Plan sponsor/trustees or any other person or entity.

In a non-discretionary role, JIR provides information to the plan sponsor regarding investment style options and parameters. JIR may make recommendations, but the Plan sponsor/trustees exercise full authority over the selection of Plan investment options and may, or may not, utilize the information provided by JIR as part of their decision-making process.

As part of providing the discretionary or non-discretionary investment services to Plans, we may provide certain information and services to the Plan and the Plan sponsor/trustees. These other services are designed to assist the Plan sponsor/trustees in meeting their management and fiduciary obligations to the Plan. The other services may consist of the following:

- assist with platform provider search and Plan set-up;
- plan review;
- plan fee and cost review;
- acting as third party service provider liaison;
- plan participant education and communication; and
- assist in group enrollment meetings designed to increase retirement plan participation among employees.

A plan participant or beneficiary may request additional services in providing retirement plan services to a plan. James Investment Research, Inc. may establish a separate client relationship with one or more plan participants or beneficiaries through a separate agreement. Such client relationships develop in various ways, including, but not limited to:

- a result of a decision by a plan participant or beneficiary to purchase services from JIR not involving the use of plan assets;
- part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relating to assets held outside of the plan; and/or
- through a rollover to an Individual Retirement Account (“IRA”).

If a plan participant or beneficiary desires to affect a rollover from the plan to an IRA account advised or managed by JIR, or if we make a recommendation to affect a rollover, we will have a conflict of interest given that our IRA advisory fees can reasonably be expected to be higher than those we receive in connection with the retirement plan services due to the individualized nature of our IRA-related services. To mitigate such conflicts, JIR will disclose relevant information about the applicable fees we charge for advising or managing an IRA, as well as reviewing the benefits each retirement account allows for before opening an account to receive the rollover. The decision as to whether to take a distribution from any retirement account rests solely with the individual participant and beneficiaries.

### AMOUNT OF MANAGED ASSETS

As of 09/30/2023, we were actively managing \$1,036,310,883 of client assets on a discretionary basis plus \$23,696,677 of client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.50% to 2.50% for individually managed accounts. Management fees for model accounts in wrap fee programs managed by JIR generally range from 0.45% to 0.75%.

JIR has determined the following fee schedules. Management reserves the right to negotiate any fees if economies of scale, market conditions, client needs or other conditions warrant a departure from the standard fee schedule. Typically, all fees for individually managed accounts are billed in advance at the beginning of each calendar month or quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous month or quarter; however some model wrap fee clients are invoiced at the end of each calendar quarter, depending on the client's broker-dealer. Our services may be terminated, by the client or ourselves, at

any time upon written notice to the other. In this event, management fees are refunded to the client's account on a pro-rata basis according to the number of billing days left in the period.

For Equity and Balanced individually managed discretionary accounts, including International accounts, our typical annual fees are 1.25% on the first \$1,000,000 and 0.50% on assets over \$1,000,000. For charitable giving accounts, our annual fee for the first \$1,000,000 is reduced to 1.00%. Where accounts are managed for a number of related entities, fees are determined by negotiation. Where supervisory services are performed for banks, outside mutual funds, institutional accounts, or other clients as deemed appropriate by the firm, fees will be determined by mutual agreement, and are normally between 0.50% and 0.75% annually.

For Micro-capitalization discretionary accounts individually managed, our annual fees are 2.50% for the first \$5,000,000 and 2.00% on amounts over \$5,000,000.

For Small-capitalization discretionary individually managed accounts, our annual fees are 1.00% on the first \$20,000,000; 0.75% on assets greater than \$20,000,000 up to \$50,000,000; and 0.65% on assets over \$50,000,000.

For Long-Short discretionary individually managed accounts, our annual fees are 1.50% on the asset balance.

For discretionary Fixed Income individually managed accounts, our typical annual fees are 0.50% for the first \$5,000,000, with a \$1,000,000 investment minimum. For account balances over \$5,000,000, fees will be determined by negotiation. If Fixed Income portfolios are managed for clients in addition to Balanced or Equity accounts, fees will be determined by negotiation, normally at the rate of 0.50% for the first \$1,000,000. Public funds are generally negotiated.

Except where negotiated, fees for non-discretionary individually managed accounts can be up to 20% higher than those for discretionary accounts.

JIR has, in the past, and may in the future, work as sub-advisor to other fund managers, including banks, advisers or brokers, or as the manager of a bank's commingled trust fund(s). Under these arrangements, the fund adviser typically provides services that JIR might normally furnish. Fees are set by negotiation with the fund manager in these cases. We reserve the right to enter into sub-advisory or additional wrap relationships, at negotiated fee schedules. For all private accounts, corporate officers are authorized to negotiate fees subject to management approval.

James Investment Research, Inc. does not, itself, impose a minimum opening account size for model wrap fee accounts; however, most broker-dealer managed account sponsors generally require a minimum investment of \$100,000. The account size may be negotiated under certain circumstances.

***Limited Negotiability of Advisory Fees:*** Although James Investment Research, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee for individually managed accounts.

Discounts not generally available to our advisory clients are sometimes offered to family members of associated

persons of our firm. Per management's approval, our firm can manage non-fee paying accounts of our associated persons.

**Fees Billed in Advance or Arrears:** Our advisory fees are billed monthly or quarterly, generally in advance:

- *In advance:* Advisory fees are billed in advance at the beginning of each billing period based upon the asset value (market or fair market value in the absence of market value) of the client's account at the end of the billing period.
- *In arrears:* Advisory fees are billed in arrears at the end of each billing period based upon the asset value (market or fair market value in the absence of market value) of the client's account at the end of the billing period.

Clients are billed either quarterly or monthly in accordance with the terms set forth in the Client Management Agreement. Financial planning clients have a different fee and billing structure.

### MUTUAL FUND PORTFOLIO MANAGEMENT FEES

James Investment Research, Inc. is the Investment Adviser to the James Advantage Funds (the Funds), a family of mutual funds. The fees for the James Advantage Funds are negotiated with the Funds' Board of Trustees and have been approved by each Fund's shareholders. The James Small Cap Fund, James Micro Cap Fund, and James Aggressive Allocation Fund have universal fee structures where the Adviser is paid a management fee and is responsible for most Fund expenses. The James Balanced: Golden Rainbow Fund pays its own expenses. The management fees for each Fund are as follows:

<b>Fund</b>	<b>Management Fee</b>
James Balanced: Golden Rainbow Fund	0.73%
James Small Cap Fund	1.23%
James Micro Cap Fund	1.48%
James Aggressive Allocation Fund	0.98%

We reserve the right to enter into additional or different management contracts with the James Advantage Funds or with other investment companies with fees determined through negotiations with the Funds' Board of Trustees or with another investment company.

Pursuant to the Plans of Distribution Pursuant to Rule 12b-1 ("Plans") for the Retail Class shares of the James Balanced: Golden Rainbow Fund and shares of the James Small Cap Fund, each Fund makes payments to the Adviser that are used for distribution and shareholder service expenses for the Fund. The amount payable by each Fund that has a plan is 0.25% of its average daily net assets. The Plan is a compensation plan, meaning payments are made to the Adviser regardless of 12b-1 expenses actually incurred. Therefore, payments under the Plan may exceed distribution and shareholder service expenses incurred pursuant to the Plan, and the Adviser is permitted to retain the excess. It is also possible that 12b-1 expenses paid by the Adviser for a period will exceed the payments received by the Adviser, in which case the Adviser pays for any excess expenses. Payments received by the Adviser under the Plan are in addition to the fees paid to the Adviser pursuant to each Fund's Management Agreements. The James Micro Cap Fund, James Aggressive Allocation Fund, and the Institutional Class shares of the James Balanced: Golden Rainbow Fund do not have Plans.

The fee arrangement and termination policies are described in each Fund's Prospectus and Statement of

Additional Information ("SAI"), available at [www.jamesinvestment.com](http://www.jamesinvestment.com).

Portfolio management clients of our firm who also invest in the Funds will pay only those fees charged to investors by each Fund, i.e., the value of the client's investment in a Fund is excluded from our private client portfolio management fee calculation. This is done so the client does not pay the management fee twice.

Some management personnel and other related persons of our firm are licensed with FINRA as registered representatives. Licenses of registered representatives are held with Ultimus Fund Distributors, LLC. in Cincinnati, Ohio, the distributor of the James Advantage Funds. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations and have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with JIR. The implementation of any or all recommendations is solely at the discretion of the client. Compensation paid to JIR's employees is affected by the overall assets in the James Advantage Funds, which presents a conflict of interest and may give those personnel an incentive to recommend investment products based on the compensation received, rather than on a client's needs. If our personnel recommend investment in mutual funds, the James Advantage Funds, a "no-load" family of mutual funds, are typically recommended. Clients are not charged an amount in excess of JIR's standard advisory fee as a result of our personnel's recommendations. In addition, our personnel disclose conflicts of interests to clients with respect to solicitation of investment products.

### **MODEL PORTFOLIO MANAGEMENT FEES**

Our annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and are generally 0.25%.

Clients are invoiced in arrears at the end of each calendar quarter based upon the asset value (market or fair market value in the absence of market value), of the client's account at quarter-end.

### **FINANCIAL PLANNING FEES**

JIR charges a fee in one of three ways for financial planning and advising services: 1) hourly, 2) fixed annual fee or 3) percentage of assets under management. The financial planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

**Hourly:** Financial planning fees are calculated and charged on an hourly basis at \$150 per hour. Although the length of time it will take to provide a financial plan will depend on each client's personal situation, an estimate is provided for the total hours at the start of the advisory relationship. The client will pay \$300, due upon signing the financial planning agreement and will be charged the remaining balance due upon completion of the plan.

**Fixed Annual Fee:** Financial planning fees are calculated and charged on a fixed fee basis, typically ranging from \$1,200 to \$3,000, depending on the specific arrangement reached with the client. For ongoing annual financial planning, the full payment of the fee is due upon signing the financial planning agreement, then fees will be charged on a monthly or quarterly basis beginning one year after. For a one-time financial analysis that will not continue from year-to-year, the full payment of fees are due upon signing the financial planning agreement.

**Percentage of Assets Under Management:** Fees are combined for financial planning and discretionary portfolio management and the client is charged a percentage of assets under management, according to the following standard fee schedule:

Account Size	Annual Rate
First \$1,000,000	1.50%
\$1,000,001 - \$5,000,000	1.00%
\$5,000,001 – Above	0.75%

Although JIR has established the aforementioned standard fee schedule, JIR reserves the right to negotiate alternative fees on a client-by-client basis based on various factors such as assets under management, the complexity of the client's individual situation, anticipated additional assets in the future, and any related accounts, among others. The client's actual fee will be identified in the contract between the client and James. Typically, financial planning fees are billed in advance at the beginning of each billing month based upon the asset value (market or fair market value in the absence of market value) of the client's account at the end of the previous month.

Clients who also invest in the James Advantage Funds will only pay those fees charged to investors by the James Advantage Funds. The value of the client's assets in the James Advantage Funds will be excluded from the monthly or quarterly portfolio management fee calculation.

While JIR may request a retainer from the client upon a signed financial planning agreement, it will never exceed \$1,200 for work that will not be completed within six months.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be terminated at any time, by either party, upon written notice to the other. Said termination shall be effective immediately upon receipt of said termination notice by the other party. Since advisory fees are typically billed monthly or quarterly in advance, James will refund the client's account after any such termination a pro-rata share of his or her fees, computed on a daily basis for the billing period.

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs are typically charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services.

Client's portfolio transactions are executed without a commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. Typically, the broker at the managed account sponsor will review with clients any separate program fees that would be charged to clients.

***Mutual Fund Fees:*** All fees paid to James Investment Research, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by the James Advantage Funds to their shareholders. These fees and expenses are described in each Fund's Prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. The Funds are no-load mutual funds. A client could invest in a mutual fund directly, without our services. If we hold shares of the James Advantage Funds in a private client portfolio, we will not charge the advisory fee on those assets.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by the broker-dealer with which an independent investment

manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this brochure for additional information.

***Grandfathering of Minimum Account Requirements:*** In order to maintain a personalized approach to our clients and have sufficient time for our research efforts and individualized application, we have been limiting our new accounts since December 1997, by generally requiring a \$1 million dollar minimum investment. The minimum investment for a small-capitalization portfolio is typically \$5 million. The Micro-cap style typically has a \$1 million investment minimum. However, we may waive these requirements.

***ERISA Accounts:*** James Investment Research, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

***Advisory Fees in General:*** Clients should note that similar advisory services might be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 and more than six months in advance of services rendered.

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

James Investment Research, Inc. currently does not have any products that charge performance-based fees.

## **Item 7 Types of Clients**

James Investment Research, Inc. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Investment companies (including mutual funds)
- Pension and profit-sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- Other\* entities such as:

\*Foundations and Endowments, Trusts, and Financial Institutions accounts.

As previously disclosed in Item 5, our firm has established certain minimum initial account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided above.

## Item 8 Methods of Analysis, Investment Strategies and 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.*** We attempt to measure the intrinsic value of a security 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 company 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 market movements. This 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 stock.

***Technical Analysis.*** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

***Cyclical Analysis.*** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

***Quantitative Analysis.*** We use proprietary models to determine stock rankings based on a company's quantifiable data, such as the book value of a share, earnings per share or analyst predictions about those figures.

A risk in using quantitative analysis is that the models can be based on assumptions that prove to be incorrect.

***Qualitative Analysis.*** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development. These factors are not readily subject to measurement.

A risk in using qualitative analysis is that our subjective judgment could prove incorrect.

***Asset Allocation.*** Rather than focusing solely on securities selection, we also identify an appropriate asset allocation suitable to the client's investment goals, risk tolerance, and our view of the market.

A risk of relying on asset allocation is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected (rebalanced), will no longer be appropriate for the client's goals. Another risk is that our allocation decision might possibly be incorrect.

***Mutual Fund and/or ETF Analysis.*** We look at the experience and track record of the manager of the mutual fund or exchange-traded fund (ETF) in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the

future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager could deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are accurate and unbiased. While we are alert to indications that data can sometimes be incorrect, there is always a risk that our analysis could be compromised by inaccurate or misleading information.

**Other:** We develop and test statistical programs which assist us in analyzing computer data, permitting us to efficiently review and monitor large quantities of data and investment opportunities.

In addition to financial periodicals, SEC filings and company corporate reports, we use computer data banks and electronic information services such as Bloomberg, FactSet and Zacks, to assist our analysis. We do not use soft dollar commissions for research. However, some brokerage firms provide research free of charge, or the research is available on Bloomberg, in which case we often review the research. James Investment Research prides itself on its proprietary research.

### ***INVESTMENT STRATEGIES***

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

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

**Short-term purchases.** We may sell a holding in less than a year if we believe the prospects for that security have deteriorated or if we lower the allocation to stocks.

**Trading.** We do not engage in day-trading or other types of high turnover securities management.

**Biblically Responsible Investing.** We do not invest in securities issued by any company that is involved in the production or wholesale distribution of alcohol, tobacco, or gambling equipment, gambling enterprises, or which is involved, either directly or indirectly, in abortion or pornography, or promoting anti-family entertainment or alternative lifestyles. A client must specify they want this type of investment strategy for their portfolio(s). It is not universally applied to all James client accounts.

### ***RISK OF LOSS***

Clients should understand that investing in any security, including mutual funds, involves a risk of loss of both income and principal, which clients should be prepared to bear.

**Management Risks.** While we manage client investment portfolios based on our experience, research, and proprietary methods, the value of client investment portfolios changes daily based on the performance of the

underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that we allocate assets to asset classes that are adversely affected by unanticipated market movements and the risk that our specific investment choices could underperform their relevant indexes.

***Risks of Investments in Mutual Funds, ETFs, and Other Investment Pools.*** As described above, we may invest client portfolios in mutual funds, ETFs, and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success is related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

***Equity Market Risks.*** We generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

***Fixed Income Risks.*** We may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

***Inflation Risk.*** Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

***Interest Rate Risk.*** Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

***Past Performance.*** Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future

performance of any particular investment instrument or issuer thereof.

## **Item 9 Disciplinary Information**

We are required to disclose any 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.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

### ***Mutual Fund:***

James Investment Research, Inc. previously disclosed in "Advisory Business" (Item 4) and "Fees and Compensation" (Item 5) of this brochure that our firm is the investment adviser to the James Advantage Funds, an investment company registered under the Investment Company Act of 1940. We are the investment adviser to the James Advantage Funds. Please refer to these items for an explanation of this relationship and potential conflicts of interest disclosures.

For additional information, the Fund Prospectus and Statement of Additional Information are available online at: [www.jamesinvestment.com](http://www.jamesinvestment.com). Prospective investors should review these documents carefully before making any investment in the Mutual Fund.

### ***Broker-Dealer:***

Some management personnel and other related persons of our firm are registered representatives of Ultimus Fund Distributors, LLC, member FINRA/SIPC, and may receive compensation in connection with assets managed or other investment products. This presents a conflict of interest as those personnel have an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations and have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with JIR. In addition, our personnel disclose conflicts of interests to clients with respect to solicitation of investment products.

### ***Other Items:***

Certain management personnel of James Investment Research, Inc. or JIR itself are general partner(s) to limited partnerships (LPs) formed for investment purposes. These related persons of our firm do not receive investment advisory compensation in relation to these investments.

Because we have confidence in our research and recommendations, our personnel are able to personally invest in securities that we recommend to our clients, including our mutual funds. Such transactions create conflicts of interest and therefore must be pre-cleared consistent with reporting requirements in the James Investment Research Code of Ethics, which is described in greater detail in Item 11 below. A summary of the Code of Ethics is available to clients upon written request.

James Investment Research, Inc. allows employees to participate in a Nano-cap limited partnership, which invests in speculative securities that are too small, or have such limited trading volume that they cannot be used in other styles or products available to private clients or the mutual funds, including the Micro-cap style. These

transactions are monitored by James' compliance personnel and must be pre-cleared and reported according to the Code of Ethics. This investment vehicle is not open to the public for investing.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics, which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

James Investment Research, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly security transaction reports as well as initial and annual security holding reports that must be submitted by firm access persons. Our code also provides for oversight, monitoring, testing, enforcement and record keeping provisions.

James Investment Research, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material nonpublic information. While we do not believe that we have any particular access to nonpublic information, all employees are reminded that such information may not be used in a personal or professional capacity.

A summary of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by sending an email to [jir@jamesinvestment.com](mailto:jir@jamesinvestment.com), or by calling us at 937-426-7640.

James Investment Research, Inc. and individuals associated with our firm are prohibited from engaging in principal transactions and investing in private placements or initial public offerings (IPOs) without compliance approval.

Rarely, either the firm or a firm officer may purchase a security from a client through a broker/dealer-directed trade. This might be done if a municipal bond or an over-the-counter security, which is infrequently traded, needs to be sold, and would be done only after a careful study to ensure the price was fair. In all such cases, the client would be notified and his or her written consent secured prior to any action. The James Investment Research Code of Ethics requires personal transactions in covered securities by access persons be pre-cleared by and reported to the Chief Compliance Officer, or her designee.

James Investment Research, rarely, may execute cross trades, whereby securities are purchased from one client account and sold to another client. These transactions require the written permission of both sides of the transaction and must be executed through a broker as a cross trade. We do not act as principal in these transactions.

Access persons of our firm are required to report all personal transactions conducted in shares of our affiliated mutual funds, the James Advantage Funds.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an

interest or position in a certain security(ies) which may also be recommended to a client.

It is the express policy of our firm that no access person may execute a securities transaction on the same day during which any client has a pending buy or sell order in that same security until that order is executed or withdrawn. An access person shall disgorge any profits realized on trades within such period if found to be in violation of the policy.

We are able to aggregate our employee trades with client transactions when purchasing certain bonds.

As certain situations may represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm shall put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm shall buy or sell securities for their personal portfolio(s) while in possession of material non-public information.
3. No principal or employee of our firm shall engage in any fraudulent or manipulative trading activity in their personal portfolio(s), including front running client accounts.
4. Our firm prohibits IPO or private placement investments by related persons of the firm without compliance approval.
5. We have established procedures for the maintenance of all required books and records.
6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
7. We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
8. We have established policies requiring the reporting of material Code of Ethics violations to our senior management.

## **Item 12 Brokerage Practices**

In selecting brokers through whom transactions will be executed, James Investment Research, Inc.'s primary consideration will be best execution of trades, which is a combination of several factors, including, without limitation, quality of execution, services provided and commission rates.

Unless otherwise directed by a Client/Plan Administrator, JIR places orders for the execution of transactions with or through such brokers, dealers, or banks as JIR selects and, complying with Section 28(e) of the Securities and Exchange Act of 1934, as amended, and where applicable, ERISA, considers the nature of brokerage and analytical analysis provided by a broker or dealer. It is possible the client's account might pay a commission on transactions in excess of the amount of commission another broker or dealer would have charged for effecting a transaction if JIR determines in good faith that the commission was reasonable in relation to the value of the brokerage and analytical analysis provided.

Trades are generally executed with the broker-dealer with which the client has entered into an arrangement. In efforts to obtain best execution, certain circumstances may exist whereby JIR may execute securities transactions at a broker-dealer different from the client's broker-dealer. In such a situation, the client's account may incur additional expenses. JIR takes expenses incurred at other broker-dealers into account in determining best execution.

Free research services furnished by brokers or brokerage firms generally will be used in connection with all clients, although not all services will be used with the particular account that paid the commissions to the broker providing the services. James Investment Research, Inc. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

It is the policy of James Investment Research to treat all clients, individuals, and institutions in a fair and impartial manner. The JIR and James Advantage Funds Code of Ethics details some of the procedures designed to implement this policy. In addition, JIR requires its employees to treat all clients fairly.

JIR has adopted trade allocation procedures to ensure that its policies of fair dealing are implemented at the portfolio management level. The primary objective of these procedures is to benefit our clients.

JIR's policy is to treat discretionary and non-discretionary clients the same in terms of portfolio transactions. However, when the nature of the non-discretionary client prevents timely execution of transactions, or otherwise would act as a detriment to the performance of the discretionary portfolios, the discretionary client will have precedence.

All clients participating in a block trade will receive the same price, and securities purchased or sold are generally allocated to client accounts on a pro-rata basis, unless there are compelling reasons not to do so. Those reasons may include, among others: the pro-rata allocation results in an amount too small to be material to the portfolio; the pro-rata allocation results in an illiquid amount, which is more likely to harm the portfolio than to help it; or the portfolio has internal constraints, which do not permit the pro-rata amount.

In certain instances, JIR might decide to sell or buy a large quantity of shares across a large number of portfolios. When this happens and a limit is placed, the execution may take place over several days. Since the limit keeps the execution price relatively stable, all clients can generally be expected to receive roughly the same share price. In these instances, it may make more sense to allocate on a sequential basis rather than on a pro-rata basis (filling one client first, then moving on to the next) because many accounts are charged a transaction fee by their custodian. The higher number of transactions will bring about higher fees, while the execution price of the trade would remain about the same. Therefore, there would be an added cost(s) but no added benefit. This sequential processing is utilized only in an effort to reduce costs over a long trading period.

JIR ensures all clients are reimbursed and made whole should a loss occur as a result of a trading error. In the event a trading error results in a gain, JIR does not retain the gain. Gains remain in an error account with the respective broker-dealer and are handled in accordance with the respective broker-dealer's policies. The broker-dealer will invoice JIR for errors in accordance with their policies, however positive trading errors may be used to offset negative trading errors in JIR's trading error account maintained at the relevant broker-dealer. As a result, JIR may receive a benefit when a trading error results in a gain. Typically, broker-dealers donate any remaining gains in the trading error account at the end of the reconciliation period to a charity of their choice. JIR does not have any input in the choice of the charity; therefore, JIR cannot direct disbursement of the trade error gains to be made to any charities affiliated with James, its officers, directors and/or clients. JIR does not have access to any of the funds in each brokerage firm's error account.

### **Item 13 Review of Accounts**

#### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** A portfolio manager performs a review of securities held in accounts on a regular basis. Three portfolio managers work with approximately 756 accounts seeking to tailor the portfolios for the clients'

individual needs and objectives. Portfolio managers review portfolios out of company target ranges on a daily, weekly or monthly basis. Management reviews portfolios if warranted. More frequent reviews might be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Management also conducts regular reviews of performance.

These accounts are reviewed by the James Investment Research, Inc. Investment Committee, consisting of three portfolio managers.

- Barry R. James - Chairman of the Board
- R. Brian Culpepper, CMFC, CKA – President/CEO and Portfolio Manager
- Dr. Fall Ainina, Ph.D., CFA –Director of Research and Vice President
- Brian P. Shepardson, CFA, CIC - Vice President and Portfolio Manager
- Trent D. Dysert, CFA – Assistant Vice President and Portfolio Manager
- Lesley Ott, CMFC, IACCP – Chief Compliance Officer and Chief Operating Officer
- Thomas L. Mangan - Investment Consultant; Advisor to the Investment Committee
- Ann M. Shaw, CFP - Investment Consultant; Advisor to the Investment Committee

**REPORTS:** In addition to the monthly statements and confirmations of transactions clients receive from their broker-dealer, we provide reports at least quarterly for individually managed portfolios summarizing account performance, balances and holdings.

#### **MODEL PORTFOLIO MANAGEMENT SERVICE**

**REVIEWS:** Clients in a model wrap fee program choose the investment style for their individual portfolio. While the underlying securities within the individual portfolio management accounts are continually monitored, these accounts are reviewed at least monthly for asset allocation levels. Additionally, all securities recommended will be reviewed weekly to ensure that the security still meets investment criteria established by the James Investment Research, Inc. Investment Committee. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Accounts are reviewed by a member of the Trading Department, Senior Management, or the Investment Committee. Client accounts are managed according to firm policies and client objectives. Client objectives are documented by the broker at the account's inception and updated by James upon written instructions from the client and/or broker.

**REPORTS:** James Investment Research Inc. does not provide reporting to clients in model wrap fee programs. Upon request information may be issued to the respective managed account sponsor, and then distributed to the client. This information will be in addition to the customary custodial account statements issued by the sponsors. The custodian will issue confirmations of transactions in the client account and periodic account statements, as well as periodic reports monitoring the performance of the client's account. JIR will make available information to brokers that may include summaries of the market in general, the economy, interest rates and other "specialized" commentary as appropriate for a client, or as requested by the wrap fee program sponsor.

#### **MUTUAL FUND PORTFOLIO MANAGEMENT**

**REVIEWS:** James Investment Research, Inc. continually reviews and monitors each Fund's holdings in accordance with the investment objectives as detailed in the Fund's Prospectus.

**REPORTS:** Clients should refer to the Fund's Prospectus for information regarding regular reports provided to Fund shareholders, including annual and semiannual reports, as well as reports filed with the SEC, including quarterly schedules of portfolio holdings.

### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for financial planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive or have available to them a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

The James Advantage Funds are all no-load funds, but certain Funds, as described above in Item 5, charge a distribution and/or shareholder servicing (12b-1) fee of 0.25 percent. A portion of this amount may be used to reimburse the Adviser for expenses it incurs in advertising or distributing the Funds, but most of the 12b-1 fees are paid to the broker-dealers who sell shares of the Funds.

JIR pays a referral fee to outside Promoters to refer potential clients to our firm. Promoters are required to provide the prospective client with this document and a separate disclosure statement outlining the Promoter's name and relationship with JIR, the fact the Promoter is being paid a referral fee, and whether the client's fee would increase above our normal fees to compensate the Promoter.

### **Item 15 Custody**

JIR does not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank or broker-dealer, serving as the qualified custodian. In addition to the periodic account statement JIR sends for individually managed accounts, you will receive account statements directly from the custodian(s) holding your funds and securities at least quarterly. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings, and values are accurate and current.

We may perform certain activities on your behalf where we may be deemed to have custody of your assets. Certain clients have signed a broad standing letter of authorization that allows us to conduct business on their behalf with the custodian, including withdrawing assets to be sent to third parties, based on instructions provided by the client. Also, most clients have also provided consent for us to directly debit the client's custodial account to collect our management fees. Both of these instances create situations where we are deemed to have custody.

### **Item 16 Investment Discretion**

Clients typically hire us to provide discretionary asset management services, in which case we place trades for a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and can limit this authority by giving us written instructions. Clients can also change/amend such limitations by once again providing us with written instructions.

Some clients have restrictions on securities that can be owned, such as socially responsible restrictions, or prohibitions from holding certain stocks for any reason. We generally accommodate clients on these restrictions, however, such departures from our generally established procedures and strategies might result in performance that is different from other clients without such restrictions.

## **Item 17 Voting Client Securities**

When possible (with cooperation of the client's custodian) James Investment Research, Inc. will vote proxies for its clients; however, clients always have the right to vote proxies themselves. Clients can exercise this right by instructing us in writing not to vote proxies in their account.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact us by telephone, email, or in writing.

We have retained a third-party proxy voting service for the voting of and record keeping requirements of our clients' proxies. We will try to vote proxies in the best interests of our clients and in accordance with our established policies and procedures. The key objective of our proxy voting policy is to maximize the value of the securities held in our clients' portfolios. JIR has the ability to override the proxy service provider's vote recommendations and may do so from time to time.

Clients may obtain a copy of our proxy voting policies and procedures by contacting us via email at [jir@jamesinvestment.com](mailto:jir@jamesinvestment.com) or by calling us at 937-426-7640. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client. A copy of the proxy voting record for securities held by the James Advantage Funds is available upon request by writing Ultimus Fund Solutions (the Transfer Agent) at P.O. Box 46707, Cincinnati, OH 46707, by calling 800-99-JAMES (800-995-2637), or on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Upon request, we will try to assist clients who receive legal notices of bankruptcies or class action lawsuits involving securities held or purchased in their accounts. We will pursue such claims on behalf of the mutual funds we advise if and when we receive notification from the custodian or the plaintiff's attorney. We will not act as lead plaintiff in these cases, nor will we be required to act as or retain legal counsel to handle such matters. We do not attempt to monitor legal filings and we cannot assist clients in legal proceedings if we are not duly informed of the filing by the client and/or the client's custodian.

## **Item 18 Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. James Investment Research, Inc. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client and more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

James Investment Research, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: *Brochure Supplement***

Richard Brian Culpepper  
Trent Devaun Dysert  
Brian Philip Shepardson

**James Investment Research, Inc.**  
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Xenia, OH 45385

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12/27/2023

This brochure supplement provides information about the individual(s) listed above that supplements the James Investment Research, Inc. brochure. You should have received a copy of that brochure. Please contact us at 937-426-7640 or [jir@jamesinvestment.com](mailto:jir@jamesinvestment.com) if you did not receive James Investment Research, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about the individual(s) listed above is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2 Educational Background and Business Experience

**Full Legal Name:** Richard Brian Culpepper      **Born:** 1972

### Education

- Wright State University; Bachelor of Science, Management Information Systems and Management; 1995
- Wright State University; Masters of Business Administration, Management Information Systems; 2005

### Business Experience

- James Investment Research, Inc.; President / Portfolio Manager; from 01/2022 to Present; CEO from 11/01/2022 to Present
- James Investment Research, Inc.; Senior Vice President / Portfolio Manager; from 04/2018 to 12/2021
- James Investment Research, Inc.; Vice President / Portfolio Manager; from 07/2014 to 03/2018
- James Investment Research, Inc.; First Vice President / Portfolio Manager; from 06/1995 to 6/2014

### Designations

Richard Brian Culpepper has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Mutual Fund Counselor; College of Financial Planning; 2005

*Individuals who hold the CMFC® designation have completed a course of study encompassing all aspects of mutual funds and their uses as investment vehicles. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year from enrollment.*

## Item 3 Disciplinary Information

Richard Brian Culpepper has no reportable disciplinary history.

## Item 4 Other Business Activities

### A. Investment-Related Activities

Richard Brian Culpepper is not engaged in any other investment-related activities.

### B. Non Investment-Related Activities

Richard Brian Culpepper is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

## Item 5 Additional Compensation

Richard Brian Culpepper does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## Item 6 Supervision

**Supervisor:** Barry James

**Title:** Chairman of the Board

**Phone Number:** 937-426-7640

## Item 2 Educational Background and Business Experience

**Full Legal Name:** Trent Devaun Dysert      **Born:** 1980

### Education

- University of Dayton; Bachelor of Science, Finance; 2003

### Business Experience

- James Investment Research, Inc.; Assistant Vice President; Associate Director of Research; Portfolio Manager; from 07/2018 to Present
- James Investment Research, Inc.; Portfolio Manager; from 07/2014 to 06/2018
- James Investment Research, Inc.; Assistant Portfolio Manager; from 4/2013 to 6/2014
- James Investment Research, Inc.; Research Assistant; from 7/2006 to 3/2013

### Designations

Trent Devaun Dysert has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Financial Analyst (CFA); CFA Institute; 2016

*The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.*

*There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.*

#### **High Ethical Standards**

*The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:*

- *Place their clients' interests ahead of their own*
- *Maintain independence and objectivity*
- *Act with integrity*
- *Maintain and improve their professional competence*
- *Disclose conflicts of interest and legal matters*

#### **Global Recognition**

*Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.*

*Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.*

### ***Comprehensive and Current Knowledge***

*The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.*

*The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).*

### **Item 3 Disciplinary Information**

Trent Devaun Dysert has no reportable disciplinary history.

### **Item 4 Other Business Activities**

#### **A. Investment-Related Activities**

Trent Devaun Dysert is not engaged in any other investment-related activities.

#### **B. Non Investment-Related Activities**

Trent Devaun Dysert is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### **Item 5 Additional Compensation**

Trent Devaun Dysert does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### **Item 6 Supervision**

**Supervisor:** Fall Ainina, Ph.D.

**Title:** Director of Research

**Phone Number:** 937-426-7640

## Item 2 Educational Background and Business Experience

**Full Legal Name:** Brian Philip Shepardson      **Born:** 1973

### Education

- University of Cincinnati; Bachelor of Business Administration, Finance; 1996

### Business Experience

- James Investment Research, Inc.; Vice President / Portfolio Manager; from 11/2022 to Present
- James Investment Research, Inc.; First Vice President / Portfolio Manager; from 07/2014 to 10/2022
- James Investment Research, Inc.; Assistant Vice President / Portfolio Manager; from 01/1999 to 6/2014
- Star Bank; Trust Administrator; from 06/1996 to 12/1998

### Designations

Brian Philip Shepardson has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Financial Analyst (CFA); CFA Institute; 2003

*The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.*

*There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.*

#### **High Ethical Standards**

*The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:*

- *Place their clients' interests ahead of their own*
- *Maintain independence and objectivity*
- *Act with integrity*
- *Maintain and improve their professional competence*
- *Disclose conflicts of interest and legal matters*

#### **Global Recognition**

*Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.*

*Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.*

### ***Comprehensive and Current Knowledge***

*The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.*

*The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.*

*To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).*

- Chartered Investment Counselor (CIC); Investment Adviser Association; 2004

*The Chartered Investment Counselor (CIC) charter is a professional designation established in 1975 and awarded by the Investment Adviser Association (IAA). The Charter was designed to recognize the special qualifications of persons employed by IAA member firms whose primary duties involve investment counseling and portfolio management.*

*A key educational component of the program is the requirement that candidates hold the Chartered Financial Analyst® (CFA®) designation, administered by CFA Institute (see <http://www.cfainstitute.org/cfaprogram/Pages/index.aspx>). In addition to successful completion of the CFA program, the CIC designation requires candidates to demonstrate significant experience (at least 5 cumulative years) in a position performing investment counseling and portfolio management responsibilities. At the time the charter is awarded, candidates must be employed by an IAA member firm in a such a position, must provide work and character references, must endorse the IAA's Standards of Practice, and must provide professional ethical information. For more information, see: <https://www.investmentadviser.org/eweb/dynamicpage.aspx?webcode=cic>.*

### **Item 3 Disciplinary Information**

Brian Philip Shepardson has no reportable disciplinary history.

### **Item 4 Other Business Activities**

#### **A. Investment-Related Activities**

Brian Philip Shepardson is not engaged in any other investment-related activities.

#### **B. Non Investment-Related Activities**

Brian Philip Shepardson is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### **Item 5 Additional Compensation**

Brian Philip Shepardson does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### **Item 6 Supervision**

**Supervisor:** Richard Brian Culpepper

**Title:** President / CEO

**Phone Number:** 937-426-7640