Form CRS

Customer Relationship Summary of J. Derek Lewis & Associates

Dated February 29, 2024

Item 1. Introduction

J. Derek Lewis & Associates, Inc. ("JDLA") is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. JDLA is not a broker/dealer; it has an affiliated broker/dealer that will file its own Customer Relationship Summary (Form "CRS"). Essentially, investment advisers charge for advice; broker/dealers charge for transactions, and any advice provided incidental to the transaction is not charged. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at www.Investor.gov/CRS, which also provides educational materials about broker/dealers, investment advisers, and investing.

Item 2. What investment services and advice can you provide me?

We offer investment advisory services to retail investors, including mutual fund allocations and portfolio construction generally utilizing mutual funds, although certain other securities may be used from time to time. The Investment Adviser Representative ("IARs") manages and constructs portfolios based upon a Client Account Form and/or Risk Tolerance Questionnaire prepared collaboratively by JDLA with you, the client. The investment management process is principally based upon qualitative assessment and fundamental analysis, and so the limitations on such services are that they involve qualitative judgment that may not be optimal in practice. Another limitation is that products are generally limited to mutual funds. Investment monitoring is offered annually, but you and JDLA may agree on more frequent monitoring. JDLA accepts discretionary investment authority if you desire. The minimum account requirements are generally $100,000, although lesser amounts may be accepted depending upon whether JDLA determines such an account relationship is appropriate for you.

JDLA may exercise discretionary authority for model construction, portfolio selection and portfolio rebalancing. The material limitations are that the IAR's judgment may differ from what you, in retrospect, may have chosen as investments; in a discretionary account, you relinquish control over the investment decision-making process, although you may revoke such discretionary authority at any time. The circumstances that create discretionary authority are the Client Agreement/Investment Management Agreement ("IMA") between you and JDLA, as well as any Power of Attorney that you may elect to sign with JDLA. Such powers are generally in effect indefinitely, although you may cancel them at any time. JDLA also offers nondiscretionary services, which means that you make the ultimate decision regarding the purchase and/or sale of investments. For additional information, please see Form ADV, Part 2A Brochure (Items 4 and 7 of Part 2A).

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: *(1)* ***Given my financial situation, should I choose an investment advisory service?****; Why or why not?; (2)* ***How will you choose investments to recommend to me?****; (3)* ***What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?***

Item 3. Fees, Costs, Conflicts and Standard of Conduct

What fees will I pay?

The principal fees and costs for retail investors with a managed account will be an asset-based fee (*fee is a % of the value of (i) the assets under management or (ii) assets subject to non-discretionary investment advice)*. Asset-based fees can be as high as 1.00% per annum if JDLA exclusively manages/advises you, and as high as 1.5% if JDLA uses a 3rd Party Asset Manager. However, if its affiliated broker/dealer collects 12b-1 fees for its brokerage clients who also have an investment advisory relationship with us for that account, then the advisory fees are reduced by the 12b-1 fee amount (up to 0.25% for A-shares, and up to 1.00% for C-shares). Fixed fees may be assessed, but they are the exception rather than the normal business practice. Fees are generally assessed quarterly. Such asset-based fees create a conflict of interest in the sense that the greater the value of assets in your account, the more you will pay in fees, and JDLA may, therefore, have an incentive to encourage you to contribute more to your account.

Our fees generally include brokerage commissions (except 12b-1s), other transaction fees, and other related costs and expenses. Mutual funds and money market funds also charge internal management fees. Commission-based and non-commission-based mutual funds may pay annual distribution or service charges, sometimes referred to as "12b-1 fees". These 12b-1 fees come from fund assets, and thus indirectly from your assets. You may also incur certain charges imposed by transfer agents, custodians, third party investment companies and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, capital gains

taxes on undistributed mutual fund profits, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes.

Although our affiliated broker/dealer may receive such fees, we do not receive 12b-1 fees, and we strive to use Adviser share classes, which means mutual fund companies do not charge commissions, and we do not receive commissions (only a % of the account value). 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 additional information, please see Item 5 – Fees and Expenses, in Form ADV, Part 2A Brochure. See also Items 4 and 7 of Part 2A Brochure, as well as the IMA that you signed. This Form CRS, along with the Brochure, shall constitute part of the disclosure of direct and indirect fees as contemplated in ERISA 408(b)(2), but if such an ERISA disclosure is applicable, a separate disclosure document will also be provided.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: *(1)* ***Help me understand how these fees and costs might affect my investments****; (2)* ***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 affect the investment advice we provide you. Here are some examples to help you understand what this means: (i) compensation based upon assets that JDLA or its IARs manage or advise creates a conflict of interest because more assets in the account results in more compensation, and (ii) some JDLA IARs provide securities brokerage or insurance services, and therefore those IARs, who are registered as an insurance agent of an insurance agency or registered representative of a securities broker/dealer will receive a commission for those transactions, and those IARs may have a conflict of interest to advise clients to use assets from their investment advisory account for securities and insurance brokerage purposes. Investing involves risk of loss of principal invested.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: ***How might your conflicts of interest affect me, and how will you address them?***

Additional information about our conflicts of interest can be found in our Form ADV Brochure under Item 11, which is available upon request or online at https://adviserinfo.sec.gov/.

How do your financial professionals make money?

JDLA's IARs are employees and are provided a base salary and/or a % of the amount of assets they manage or advise. Compensation for the amount of client assets that they service creates an incentive and a conflict of interest to obtain as many assets in the account as possible. Fees based upon the value of the account generally also create an incentive to take more risk in the account to earn more money. Also, compensation does not consider the time and complexity required to meet a client's needs, the product sold, product sales commissions, or revenue that JDLA earns from the financial professional's recommendations. Our Brochure has more information about fees, conflicts and standards of conduct.

Item 4. Do your financial professionals have legal or disciplinary history?

No, our firm and/or financial professionals do not have any legal or disciplinary history. Visit www.Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as*:* ***As a financial professional, do you have any disciplinary history? If so, for what type of conduct?***

Item 5. Additional Information

For additional information about our services, or if you would like a copy of this disclosure, please call Kathe Espinili at (949) 752-9096 for such matters, as well as for compliance questions, or call Rob Knutsen at (949) 752-9096 for questions related to investments or portfolio management/strategy. More important information is also contained in our ADV Part 1 and Part 2A (Brochure).

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: *(1)* ***Who is my primary contact person?****; (2)* ***Is he or she a representative of an investment-adviser or a broker-dealer?****; (3)* ***Who can I talk to if I have concerns about how this person is treating me?***