



Jiko Securities, Inc.

U.S. Treasuries Risk Disclosures

September 30, 2021

Overview

U.S. Treasury bills are short-term debt instruments, issued by the U.S. government and backed by its full faith and credit.

Pursuant to your Brokerage Account Agreement, funds in your brokerage account will be invested and periodically re-invested into the most current issuance of U.S. Treasury bills of 4 weeks duration. These U.S. Treasuries Risk Disclosures may be amended in the future, from time to time, to provide for the investment in U.S. Treasury bills of different durations.

When a new issuance of U.S. Treasury bills of a 4 weeks duration is issued, your existing positions in U.S. Treasury bills will be sold and the proceeds will be rolled into the newest issuance of U.S. Treasury bills of 4 weeks duration— the new “on the run”.

SIPC Protection

Jiko Securities, Inc. is a Member of SIPC, which protects securities of its customers up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available upon request or at www.sipc.org. SIPC’s telephone number is (202) 371-8300.

Risk Disclosures

Summary Risk Factors

While short-term U.S. Treasury securities are considered generally safe, you could, as with any investment, lose all or part of your investment in your account. Your investments are



subject to certain risks, including the risks noted below, any of which may adversely affect the value of your portfolio, yield, or the total performance of your portfolio.

Concentration Risk

The U.S. Treasury bills held in your portfolio may be susceptible to an increased risk of loss, including losses due to adverse events that affect your investments more than the market as a whole, as your investments are not diversified and are concentrated wholly in U.S. Treasury bills.

Cyber Security Risk

Failures or breaches of the electronic systems of Jiko Securities, Inc., the broker-dealer, and other service providers or market makers have the ability to cause disruptions and negatively impact the firm's business operations, potentially resulting in financial losses to your holdings. While the firm has established a business continuity plan and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plan and systems. Furthermore, the firm cannot control the cybersecurity plans and systems of its service providers or market makers.

Income Risk

A fall in interest rates may cause the yield of U.S. Treasury bills to decline, because your funds may subsequently be invested in lower yielding securities as your U.S. Treasury bills mature, are near maturity, are substituted, or otherwise be used to purchase additional U.S. Treasury bills.

Interest Rate Risk

An increase in interest rates may cause the value of the U.S. Treasury bills held in your portfolio to decline, may lead to heightened volatility in the fixed-income markets and may adversely affect the liquidity of certain fixed-income investments. The historically low interest rate environment increases the risks associated with rising interest rates.

U.S. Government Issuer Risk



The performance of the U.S. Treasury bills held in your portfolio depends on the performance of individual U.S. Treasury bills that you hold. Changes to the financial condition or credit rating of the government of the United States may cause the value of its securities to decline.

Market Risk

U.S. Treasury bills could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns.

Operational Risk

The U.S. Treasury bills held in your portfolio are exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the firm's service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures. The firm seeks to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be otherwise inadequate.

Risk of Investing in the United States

Certain changes in the U.S. economy, such as when the U.S. economy weakens or when its financial markets decline, may have an adverse effect on the U.S. Treasury bills you hold in your portfolio and have exposure to.

U.S. Treasury Obligations Risk

U.S. Treasury obligations may differ from other securities in terms of interest rates, maturities, times of issuance and other characteristics, and may provide relatively lower returns than those of other securities. Similar to other issuers, changes to the financial condition or credit rating of the U.S. government may cause the value of U.S. Treasury obligations to decline.