

Part 2A of Form ADV: *Firm Brochure*

Arvest Investments, Inc.

doing business as

Arvest Asset Management

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This brochure provides information about the qualifications and business practices of Arvest Asset Management. If you have any questions about the contents of this brochure, please contact us at (501) 743-3743 or tharps@arvest.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.

Additional information about Arvest Asset Management also is available on the SEC's website at 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 42057.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated March 15, 2012, is our current disclosure document prepared according to the SEC's requirements and rules.

This Item provides you with a summary of new and/or updated material changes to our firm, since the last update of our brochure dated March 31, 2011.

Consistent with the current rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year, which is December 31. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Material changes since our last brochure updates include:

- We do not pay referral fees to independent persons or firms for introducing clients to us.
- Since on or about June 1, 2011, our Investment Management Group (IMG) has been managing discretionary wrap fee programs using the trust platform used by Arvest Trust Company, N.A., an affiliated company, for custodial and recordkeeping services. Additional information about the services of our IMG Group is found in a separate disclosure document (ADV Part 2, Supplement 1), which is available to you upon request.
- We vote proxies in the best interests of our clients and have delegated that specific responsibility to a third party. Further details regarding proxy voting is contained in Item 17 of this disclosure brochure.

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Item 4 Advisory Business

Arvest Investments, Inc. doing business as Arvest Asset Management (AAM), is a SEC-registered investment advisor with its principal place of business located in Arkansas. Arvest Asset Management began conducting investment advisory business in 2004.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

We are owned 100% by Arvest Bank, Bentonville, Arkansas. Our principal indirect owners are James C. Walton, Samuel R. Walton and the JTW ABG Trust, James C. Walton, Trustee.

Arvest Asset Management has entered into agreements with First Clearing Corporation, LLC ("FCC") and Raymond James and Associates ("RJA"), pursuant to which they provide advisory and clearing services with respect to the advisory programs they offer. Clients with investment advisory accounts described herein are clients of AAM. We are not related to or affiliated with FCC or RJA or any of their affiliates. Unless otherwise specified, the clearing agents will maintain custody of client assets. Clearing Agents qualify as "qualified custodians" as described by Rule 206(4)-2 of the Investment Advisers Act. FCC or RJA each reserve the right to reject and not provide services to any client or with respect to any client account for any reason.

Wells Fargo Advisors ("WFA") an affiliate of FCC, provides advisory and other services to AAM with respect to the following programs:

- Masters, Diversified Managed Allocations (DMA),
- Wells Fargo Compass Advisory,
- Allocation Advisors,
- Customized Portfolios,
- FundSource, and
- Pathways

Please review the appropriate WFA Disclosure Documents for a complete description of each program.

RJA provides advisory and other services to AAM with respect to the following programs:

- Ambassador,
- Eagle Asset Management,
- Freedom,
- Opportunity,
- Raymond James Consulting Services,
- And access to outside managers.

Please review the appropriate RJA Disclosure Documents for a complete description of each program.

WFA does not provide advisory services to AAM with respect to Private Investment Management, Asset Advisor, Private Advisor Network and CustomChoice. While we are the sponsor of these advisory programs, WFA provides certain non-advisory services that enable us to offer these programs.

PRIVATE INVESTMENT MANAGEMENT ("PIM")

With PIM, certain of our Client Advisor-Investment Specialists provide investment advisory and brokerage services to your account on a discretionary basis. As a minimum criterion for providing advisory services, our Client Advisors must possess satisfactory past business experience, plus any required industry examinations and registrations, and be approved by senior management. Based on your investment objectives and individual needs, your Client Advisor will have discretion to manage your assets to an appropriate investment strategy. You must give written consent to grant discretionary authority.

Your Client Advisor may develop specific investment strategies using a mix of various research, and analytic methods. They also establish quality and concentration requirements to provide overall discipline. Such strategies ordinarily include long and short-term securities purchases and depending on your objectives and the Client Advisor's investment philosophy, supplemental covered option writing.

ASSET ADVISOR

Asset Advisor is a non-discretionary, client directed investment program that your Client Advisor may provide a broad range of investment recommendations based on your investment objectives, financial circumstances and risk tolerance. You have the option of accepting these recommendations or selecting different investments for your account.

An Asset Advisor account may not be used for market timing strategies or activities for mutual funds or any extreme trading activity that we or the Clearing Agent, in our sole discretion, deems detrimental to the interest of average fund shareholders or contrary to the policies or interest of mutual fund companies.

PRIVATE ADVISOR NETWORK

Through Private Advisor Network ("PAN"), your Client Advisor will assist you in identifying an investment adviser to perform investment advisory services with respect to your assets. Our services may include preparing an investment policy statement in connection with anticipated advisory needs, matching personal and financial data provided by you with a roster of professional money managers.

We will provide information on money managers that appears to meet your needs. With the assistance of your Client Advisor, you may then choose one or more money managers to manage your assets.

All accounts are managed by the independent money manager selected by you. Neither AAM nor WFA has discretionary trading authority with respect to such accounts. We do not assume responsibility for the conduct of the money manager that you select, including their performance or compliance with laws or regulations.

CUSTOMCHOICE

CustomChoice is a non-discretionary investment advisory program designed to help you allocate your assets among open-end mutual funds in accordance with your individual investment goals, objectives and expectations. Based on the investment objectives and risk tolerance reported in your Account Profile, your Client Advisor will recommend an appropriate mix of various open-end mutual funds and money market funds.

INVESTMENT MANAGEMENT GROUP ("IMG")

AAM offers investment advisory services to our clients through our IMG group:

The details of these investment programs and expenses can be found in AAM's Wrap Fee Program Brochure (Form ADV, Part 2A, Appendix 1). These programs are managed on a discretionary basis by the AAM Investment Management Group Portfolio Managers.

In general, AAM provides individual and model portfolio management. A description of our model portfolio is included in AAM's Wrap Fee program brochure.

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. 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.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., 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.

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
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- United States governmental securities

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.

MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients through our Investment Management Group (IMG) using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

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

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

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:

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.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances and goals, we will:

1. send quarterly written reminders to each Model Portfolio Management Services client requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. at least annually, contact each participating client to determine whether there have been any

changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;

3. be reasonably available to consult with the client; and

4. maintain client suitability information in each client's file.

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 utilizing this service receive a written report, which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan may 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. However, we do not give specific tax advice, deferring to the client's personal accountant or tax preparer.
- **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. However, we do not give legal advice or prepare estate planning documents, such as wills, trusts or powers of attorney.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, performance objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed

by the client, and prepare a written report. 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.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning, although we do not provide tax or legal advice.

LIMITATIONS: As Client Advisers of Arvest Asset Management are registered representatives of a broker-dealer and/or as insurance agents/brokers of various insurance companies, specific product recommendations made in financial plans are limited to only those products offered through these companies, as well as Wells Fargo Advisors and Raymond James & Associates.

AMOUNT OF MANAGED ASSETS

As of 12/31/2011, we were actively managing \$205,541,000 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fee for Investment Management services will be charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Under \$250,000	3.00%
Next \$750,000	2.50%
Over \$1,000,000	2.00%

A minimum of **\$25,000.00** of assets under management is required for this service. This account size may be negotiable under certain circumstances. Arvest Asset Management may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Arvest Asset Management 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 will be 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 will be 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.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

MODEL PORTFOLIO MANAGEMENT FEES

The annualized fee for Model Portfolio Management Services will be

Charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$250,000	1.75%
Next \$750,000	1.50%
Over \$1,000,000	1.15%

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum of **\$50,000.00** of assets under management is required for this service. This account size may be negotiable under certain circumstances. Arvest Asset Management may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Arvest Asset Management 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 will be 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 will be 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.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

Arvest Asset Management's Financial Planning fee will be 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.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from **\$250** to **\$1,000**, depending on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

Financial Planning Fee Offset: Arvest Asset Management reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

The client will be billed quarterly in advance based on our total estimated Financial Planning fees.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Arvest Asset Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs 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. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be 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 advisors, 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 may be executed

without 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. We will review with clients any separate program fees that may be charged to clients.

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 broker dealers, including, but not limited to, any transaction charges imposed by a 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 Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Arvest Asset Management's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Arvest Asset Management 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"). 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. To avoid engaging in prohibited transactions, Arvest Asset Management may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Arvest Asset Management's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

Arvest Asset Management does not charge clients performance-based fees.

Item 7 Types of Clients

Arvest Asset Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain minimum 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 in each applicable service.

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.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may 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 factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

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 providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

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.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

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

FIRM Registrations

In addition to Arvest Asset Management being an investment adviser registered with the SEC, our firm is registered as a FINRA member broker-dealer.

MANAGEMENT PERSONNEL Registrations

Management personnel of our firm are separately licensed as registered representatives of Arvest Asset Management, an affiliated FINRA member broker-dealer.

While Arvest Asset Management and our management personnel and investment advisors endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

We are a registered investment adviser and a wholly owned subsidiary of Arvest Bank, a commercial bank that offers a broad spectrum of banking products and financial services to consumers, small businesses and commercial clients. As a subsidiary of Arvest Bank, our firm is under common ownership and control with several financial institutions, including the following with which we have a material business relationship (referred to collectively as the "Related Companies"):

Arvest Investments, Inc. d/b/a Arvest Asset Management, a FINRA member broker-dealer;

Arvest Insurance, Inc., a licensed insurance agency; and

Arvest Trust Company, N.A., a nationally chartered bank exercising trust powers.

Where appropriate, Arvest Asset Management and our employees may recommend the various investment and investment-related services of the Related Companies to our advisory clients. The

Related Companies and their employees may also recommend the advisory services of our firm to their clients. The services provided by the Related Companies are separate and distinct from our advisory services, and are provided for separate and additional compensation. There may also be arrangements between Arvest Asset Management and these Related Companies where Arvest Asset Management and/or the Related Companies and their employees receive payment in exchange for client referrals. No Arvest Asset Management client is obligated to use the services of any of the Related Companies.

In addition, the management persons and other associates of Arvest Asset Management are:

(1) management persons and registered representatives of Arvest Asset Management, a FINRA member broker-dealer; and, (2) management persons and insurance agents of Arvest Insurance, Inc., a licensed insurance agency. These individuals may also be insurance agents for one or more insurance companies. In their separate capacities as registered representatives and/or insurance agents, these individuals are able to effect securities transactions and/or purchase insurance and insurance-related investment products for Arvest Asset Management's advisory clients, for which these individuals will generate separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Clients should be aware that the receipt of additional compensation by Arvest Asset Management and its associates creates a potential conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Arvest Asset Management endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. Our compensation plan does not favor any product or service, as commissions from all products and services have equal weighting to determine the individual Client Advisors' compensation.

Additionally, we take the following steps to address this conflict:

- *we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from the sale of individual securities in addition to our firms advisory fees;*
- *we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;*
- *we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance; our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;*
- *we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;*
- *we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and*

- *we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.*

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.

Arvest Asset Management 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 securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Arvest Asset Management's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to cdwood@arvest.com, or by calling 479 770-1839.

We congratulate you if you have read this far in our disclosure document. Please do not hesitate to call your Client Adviser or the AAM Compliance number above if you have any questions.

Arvest Asset Management and individuals associated with our firm are prohibited from engaging in principal transactions.

Arvest Asset Management and individuals associated with our firm are prohibited from engaging in agency cross transactions.

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 expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be excluded in the pro-rata allocation.

As these situations 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 may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.

7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm on an annual basis.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer and licensed as an insurance agent of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

Arvest Asset Management directs all trades through one of its clearing brokers, either FCC or RJA. AAM monitors the trading to ensure our clients receive the best services at the lowest commission rates possible.

The Investment Management Group of AAM, which uses the FIS accounting system, selects those brokers or dealers which will provide best services at the lowest commission rates possible to their advisory clients.

Additional detail regarding the activities of the IMG, are found in our Form ADV Part 2A, Supplement 1.

The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Arvest Asset Management in providing investment management services to clients. Arvest Asset Management may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Consistent with obtaining best execution for clients, Arvest Asset Management may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Arvest Asset Management and, indirectly, to Arvest Asset Management's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. Arvest Asset Management does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. Arvest Asset Management may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if Arvest Asset Management determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to its ('brokerage') discretionary client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and Arvest Asset Management makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When Arvest Asset Management uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that Arvest Asset Management does not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a potential conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Arvest Asset Management requires that it be provided with written authority to determine the broker-dealer to use for client transactions and the commission costs that will be charged to our clients for these transactions.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Arvest Asset Management will block trades where possible and when advantageous to clients. This

blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Arvest Asset Management will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Arvest Asset Management's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Arvest Asset Management, or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Arvest Asset Management to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the

custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) Arvest Asset Management's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on Arvest Asset Management's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

Item 13 Review of Accounts

INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least annually in writing. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. 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.

These accounts are reviewed by the Client Advisor-Investment Specialist who is assigned the account.

Our clearing brokers provide statements at least quarterly and confirmations of transactions that include periodic reports summarizing account performance, balances and holdings.

MODEL PORTFOLIO MANAGEMENT SERVICE

REVIEWS: While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least annually in writing. 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.

These accounts are reviewed by the Client Advisor-Investment Specialist who is assigned the account.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide periodic reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS

REVIEWS: These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

REPORTS: These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser.

Arvest Asset Management does not typically provide reports in addition to those provided by the independent registered investment adviser selected to manage the client's assets.

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 a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm does not pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us.

It is Arvest Asset Management's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

We may pay Arvest Bank associates a nominal one-time cash award of no more than \$25, for a qualified referral to a licensed Client Advisor, which is not dependent upon a sale being made.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm through its applicable clearing broker, directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because we do not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

AAM only holds client's cash or securities temporarily and transmits the cash or securities to the applicable clearing broker within 24 hours of receipt.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in 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 may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

IMG acts as discretionary investment advisor for clients. The conditions that govern the firm's authority to vote proxies on behalf of clients are contained in our investment advisory agreement. The advisory contract states that IMG will vote proxies on behalf of its clients unless specifically requested not to do so by the client. If clients request to vote proxies on their own behalf, they will receive proxy related information directly from their custodian.

We will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. It is our policy to vote client shares primarily in conformity with Glass- Lewis & Co. recommendations. Glass-Lewis & Co. is a neutral third party that issues recommendations based on its own internal guidelines. Using Glass-Lewis recommendations assists in limiting conflict of interest issues between IMG and its clients.

IMG utilizes a third-party electronic voting platform, ProxyEdge (a division of Broadridge Financial Solutions, Inc.), to vote client shares. IMG or ProxyEdge retains a record of all proxy voting information for the requisite amount of time, including a copy of each proxy statement received, a record of each vote cast, and a copy of any document created that was material to making a decision on how to vote proxies.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting their AAM Client Advisor. Clients may request, in writing, information on how their proxies shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for their account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies.

Item 18 Financial Information

Arvest Asset Management has no additional no financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Arvest Asset Management has not been the subject of a bankruptcy petition at any time during the past ten years.