



Item 1 - COVER PAGE

FORM ADV PART 2A*

SEC-Required Brochure

March 2012

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*This brochure provides information about the qualifications and business practices of SkyOak Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact the Firm's Chief Compliance Officer, Donald L. Watson at telephone 800.971.8070. The information in this brochure has not been approved or verified by the State of California, the State of Oregon or by any other federal or state authority.

The oral and written statements of an advisor provide information upon which a prospective client may base a determination as to whether or not to hire the advisor. You are encouraged to review this Brochure and Brochure Supplements for the Firm's associates who advise you for more information on the qualifications of the Firm and its employees.

The use of the term "registered" or "licensed" investment adviser and description of SkyOak Wealth Management, Inc. and/or our associates as "licensed" does not imply a certain level of skill or training.

Additional information about SkyOak Wealth Management, Inc. is available at www.advisorinfo.sec.gov.

Item 2 - MATERIAL CHANGES FROM PRIOR FORM ADV 2A

This updated Form ADV Part 2A contains the following changes from the prior version:

- Routine revisions and updates to formatting.
- Non-material edits to the existing descriptions of prior disclosures.
- Updated assets under management information at Item 4.
- The addition of required disclosures for State registered advisors at Items 4 and 19.

Item 3 - TABLE OF CONTENTS

ITEM 1 - COVER PAGE.....	1
ITEM 2 - MATERIAL CHANGES FROM PRIOR FORM ADV 2A	2
ITEM 3 - TABLE OF CONTENTS	3
ITEM 4 - ADVISORY BUSINESS	4
ITEM 5 - FEES AND COMPENSATION	7
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	10
ITEM 7 - TYPES OF CLIENTS.....	10
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS	11
ITEM 9 - DISCIPLINARY INFORMATION	13
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	14
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	14
ITEM 12 - BROKERAGE PRACTICES	15
ITEM 13 - REVIEW OF ACCOUNTS	18
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION	19
ITEM 15 - CUSTODY	19
ITEM 16 - INVESTMENT DISCRETION	20
ITEM 17 - VOTING CLIENT SECURITIES	21
ITEM 19 - REQUIREMENTS FOR STATE-REGISTERED ADVISORS	21

Item 4 - ADVISORY BUSINESS

Item 4A

Registration Status - Registered since 2010¹
Licensed with the State of Oregon on _____
Licensed with the State of California on _____
Registered with the SEC on June 23, 2010
Principal Owner - Jennifer A. Davis

Item 4B

ADVISORY SERVICES

Investment Management Services

SkyOak Wealth Management, Inc., an Oregon corporation, is a licensed investment adviser that provides investment management, comprehensive financial planning, and financial consultation services to its clients. SkyOak's investment management services include, among others, financial goal setting, risk assessment, strategic asset allocation and the selection and management of securities and investments. Securities transactions are supervised on a continuous basis and each client's portfolio holdings and asset allocations are monitored on a periodic basis.

Item 4C

The investment management services we provide are based on each individual client's financial circumstances and investment objectives. Our portfolio managers meet with each client to discuss the client's current financial condition and to review the client's current investment holdings. Based upon each client's circumstances, we determine an appropriate asset allocation for their investment portfolio. The portfolio is based upon the client's specific financial objectives and risk tolerance. Other factors we consider are the client's time horizon (education funding, home purchase, retirement, legacy planning), liquidity needs, and other available resources (including external retirement plans, projected social security, outside investments, real estate, and insurance). Clients may identify any investment restrictions to be placed on their account.

Item 4B, cont.

SkyOak generally requires clients to place a minimum of \$250,000 under management with the Firm. Multiple client accounts may be aggregated to meet this minimum and under certain circumstances, and in its sole discretion, SkyOak may waive or alter the minimum account size requirement.

¹ The issuance of a license or registration means only that the Firm meets the minimum requirements for licensing as an investment advisor and does not imply that any state or federal regulatory authority guarantees the quality of our services or recommends them.

A client may make additions to and withdrawals from the client's portfolio account at any time, subject to the Firm's right to terminate an account if the amount of assets drops below our minimum account size. Clients may withdraw account assets with notice to the Firm, subject to the usual and customary securities settlement procedures. However, we design client portfolios as long-term investments and caution our clients that asset withdrawals may impair the achievement of the client's investment objectives.

Additions to an account may be in cash or securities provided that we may decline to accept particular securities into a client's account or may recommend that the security be liquidated if it is inconsistent with the Firm's investment strategy or the client's investment objectives. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. Clients are also advised that transfers of assets may incur a fee assessed by the previous custodian of the transferred assets.

Comprehensive Financial Planning and Financial Consultation Services

SkyOak provides comprehensive financial planning services or project based financial consultation services on either an hourly fee or fixed fee basis. Such services may include a financial review and analysis of some or all of the following areas:

- Determining Financial Goals And Objectives
- Asset Allocation Review
- Retirement Plan Analysis
- Employee Stock Option Analysis
- Current Portfolio Review
- Education Funding Analysis
- Cost Audit of Current Investments
- Cash Flow Management Review
- Review of Insurance Needs
- Mortgage and Refinance Evaluation
- Estate Plan Review or Development
- Charitable (or social capital) Planning
- Opinion on Current Investment Strategy/Advisors
- Other financial or investment analysis

Unless provided in connection with the investment management services described above, clients engaging SkyOak to provide financial planning or consultation services will generally be required to enter into a separate written agreement with SkyOak setting forth the terms and conditions of the planning engagement and describing the scope of the services to be provided. Financial planning /consultation clients are not required to be investment management clients of the Firm.

The Firm's financial planning/financial consultation-only remain responsible for implementing any recommendations made by SkyOak and retain absolute discretion over

all implementation decisions. Clients remain free to accept or reject any of the Firm's recommendations. SkyOak may recommend its own investment management services or those of its professional staff in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Financial planning and consultation clients are advised that a conflict of interest exists if the Firm recommends its own investment management services to implement financial plan recommendations. Moreover, if a client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through any investment advisor when such is licensed as a broker-dealer or through any associate or affiliate of such advisor that is employed as registered representative or sales agent with a licensed broker-dealer.

If the client engages the Firm for additional investment advisory services, the Firm, in its sole discretion, may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

General Notice

In performing its services, SkyOak relies upon the information received from its client or from their other professional legal and accounting advisors, and is not required to independently verify such information. Clients must promptly notify us of any change in their financial situation or investment objectives that would necessitate a review or revision by our advisors of the client's portfolio and/or financial plan.

Item 4D

The Firm does not sponsor nor does it provide portfolio management services to wrap fee programs offered by broker-dealers or others.

Item 4E

ASSETS UNDER MANAGEMENT AS OF DECEMBER 31, 2011

Discretionary Assets - \$55,000,000

Non-discretionary Assets - \$26,000,000

Item 4B, cont.

TERMINATION OF AGREEMENT

The investment management agreement will continue in effect until terminated by either party pursuant to its terms. Any earned fees owed to SkyOak will be paid from the client's account on a pro rata basis determined on the amount of time remained in the calendar quarter.

If a copy of this Form ADV Part 2A disclosure statement was not delivered to the client prior to or simultaneous with a client entering into a written advisory contract with Advisor, then the client has the right to terminate the contract without penalty within five (5) business days after entering into the contract. Any transaction costs imposed by

the executing broker or custodian for establishing the custodial account or for trades occurring during those five days are non-refundable.

Thereafter, services shall continue until either Advisors or Client terminate this Agreement with thirty (30) days written notice. For purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract. Upon termination of the Investment Management Services Agreement, quarterly or prorated quarterly advisory fees that are paid in advance for these services will be reimbursed you on a prorated basis.

Item 5 - FEES AND COMPENSATION

ADVISORY FEES

Depending upon the nature of the engagement, SkyOak offers its services on a fee basis which may include a fee based upon the amount of assets under management or fixed or hourly fees for consulting and planning services.

INVESTMENT MANAGEMENT SERVICES

For its investment management services, SkyOak charges an annual fee based on a percentage of assets under management. SkyOak's annual investment management fee is prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. For new accounts, SkyOak charges a fee based on the value of assets placed in the account, prorated to the portion of the calendar quarter during which the assets were under management by the Firm. The Firm's standard fee schedule follows below.

Value of Account Assets	Annual Fee Rate
On the market value up to \$500,000	1.50% plus
On the market value above \$500,000 up to \$2,500,000	1.25% plus
On the market value above \$2,500,000 up to \$5,000,000	0.95% plus
On the market value above \$5,000,000	0.65%
Minimum Annual Investment Management Fee	\$2,500

The client's investment management fee to SkyOak is determined in accordance with the above standard fee structure, with exceptions negotiated on a case-by-case basis at SkyOak's discretion. Services provided for the above fees are for investment advice and quarterly reporting of asset holdings, valuations and performance reviews. SkyOak, in its sole discretion, may negotiate to charge a lesser annual fee or lesser investment management fee based upon, among other criteria, anticipated future portfolio growth, anticipated future additional portfolio contributions, dollar amount of assets to be

managed, related accounts, account composition, pre-existing client relationship, account retention and/or pro bono activities. The Investment Management and Service Agreement is effective as of the date signed by the Client.

SkyOak generally imposes a minimum annual fee of \$2,500 per client. This minimum fee may have the effect of making SkyOak's services impractical for clients, particularly those with portfolios less than \$250,000 under management. SkyOak, in its sole discretion, may negotiate to charge a lesser management fee based upon the criteria noted above.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by our portfolio managers in the management of the client's portfolio, the market value of the client's account and corresponding fee payable by the client to SkyOak may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Firm. Accordingly, the decision as to whether to employ margin is left to the sole discretion of client.

FINANCIAL PLANNING AND FINANCIAL CONSULTING SERVICES AND FEES

For its financial planning and other financial consultation services that are apart from or beyond its investment management services, SkyOak charges a fee of \$250 per hour or provides services on the basis of a fixed fee ranging from \$2,500 to \$15,000, depending upon the complexity of a client's requirements or objectives and the extent to which outside professionals are consulted for estate planning, accounting and other professional services. A retainer equal to 25% of the estimated fees is payable at the commencement of the financial planning or other financial consultation. Ongoing fees are payable as invoiced. Additional consulting services and fees will be governed by a separate agreement and no charges will be assessed the client without its consent. Client consent is effective as of the date the client signs the agreement.

COMMISSIONS EARNED

Jennifer A. Davis, Donald L. Watson, and Robert F. Wisnovsky are Investment Advisor Representatives (IARs) of SkyOak Registered Investment Advisor (RIA). In addition to being IARs, Jennifer A. Davis and Donald L. Watson are registered representatives of Brokers International Financial Services, LLC ("Brokers International"), a federally registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Ms. Davis' and Mr. Watson's affiliation with Brokers International allows SkyOak to offer investment programs, insurance products and other products that may incur a commission or sales load.

Brokerage commissions are charged by Brokers International Financial Services to the client to effect securities transactions and thereafter, a portion of these commissions

may be paid by Brokers International to registered representatives such as Ms. Davis and/or Mr. Watson. In addition, in connection with any such brokerage services, the registered representative may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

In the course of providing its financial planning or investment management services, SkyOak also may recommend insurance solutions. When SkyOak recommends an insurance product to a client, the applicable insurance issuer may pay a sales load or commission to Ms. Davis or Mr. Watson.

While SkyOak does not itself offer to sell these investment programs and insurance products to its investment advisory clients, the Firm does permit its employees, independent contractors, and/or advisors who are registered representatives and/or insurance agents, in their individual capacities as registered representatives or insurance agents, to sell such securities or insurance products to its investment advisory clients.

GENERAL FEE DISCLOSURES

We believe our investment management fees are competitive with the fees charged by other investment advisors for comparable services. However, comparable services may be available from other sources for lower fees than those charged by SkyOak.

We do not provide clients advice as to the tax deductibility of our advisory fees. Clients are directed to consult a tax professional to determine the potential tax deductibility of the payment of advisory fees.

CUSTODIAN AND BROKERAGE FEES

Clients incur certain charges imposed by their custodians and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to Advisor's investment management fee.

FUND DISCLOSURES

Mutual funds, closed-end funds, exchange traded funds and alternative investment funds are investment vehicles and the investment strategies, objectives and types of securities held by such funds vary widely. In addition to the advisory fee charged by SkyOak, clients indirectly pay for the expenses and advisory fees charged by the funds in which their assets are invested.

All such funds incur operating expenses in connection with the management of the fund. Investment funds pass some or all of these expenses through to their shareholders (the

individual investors in the funds) in the form of management fees. The management fees charged vary from fund to fund. In addition, funds charge shareholders (individual investors in the funds) other types of fees such as early redemption or transaction fees. These charges also vary widely among funds. As a result, clients will still pay management fees and other, “indirect” fees and expenses as charged by each mutual fund (or other fund) in which they are invested.

Clients are provided a copy of a fund prospectus for each fund in which they invest by their custodian or by the fund sponsor rather than by SkyOak. As required by law, a prospectus represents the fund’s complete disclosure of its management and fee structure. In addition, a fund’s prospectus can be obtained directly from the fund.

SEPERATELY MANAGED ACCOUNTS

Within the investment allocation, SkyOak will sometimes use separately managed accounts which are handled by an independent, third party professional money manager (The Manager) and held at the custodian, Charles Schwab Institutional unless specified otherwise. In such cases, the client will enter into a separate fee arrangement with The Manager where clients will be charged by The Manager with whom their assets are invested. The Manager’s quarterly or monthly fee will be deducted from the Client’s account directly. This Manager Fee is in addition to the investment advisory fee charged by SkyOak.

BOND DISCLOSURE

Clients whose assets are invested in bonds purchased directly from an underwriter or various bond desks may pay a sales credit or sales concession to the underwriter on the trade (in lieu of a sales commission) ranging from 0% - 2% of the par value of the bond.

Item 6 - PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT

No part of SkyOak’s investment management fee is based upon capital gains or the capital appreciation of assets.

Item 7 - TYPES OF CLIENTS

SkyOak provides investment management services, financial planning and financial consulting services to individuals and high net worth individuals and their respective trusts and estates; businesses; charitable foundations and individual pension and retirement accounts.

As a result of its minimum account size and minimum annual fee requirements, mentioned above, SkyOak’s services may not be appropriate for everyone. Particularly for smaller accounts, other investment advisors may provide somewhat similar services for lower compensation, although still others may charge more for similar services.

Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

METHODS OF ANALYSIS

Depending upon the type of investment, SkyOak utilizes a combination of fundamental and technical analysis. Fundamental analysis involves analyzing real data, including overall economic and company-specific information available to determine the value of a particular investment. Technical analysis involves analyzing statistics provided by market activity such as past prices and volume to identify patterns that can be used to predict future activity. In performing these analyses, the Firm consults third-party research materials, company annual reports and other regulatory filings, and financial newspapers and periodicals.

INVESTMENT STRATEGY

We strive to provide customized solutions for our clients to align their wealth with their values, interests and goals. It is important that each investment portfolio is designed by taking into consideration each client's investment history, time horizon, risk tolerance, and liquidity needs.

SkyOak offers advice regarding and is authorized to effect securities transactions in equities, municipal, government and corporate bonds, investment company products (i.e. mutual funds, exchange-traded funds, variable annuities). We can also provide insurance solutions where appropriate. SkyOak may also provide advice about any type of investment held in a client's portfolio at the beginning of the advisory relationship.

We have designed our investment strategies to address and evaluate the accelerating rate of change as an investor in the 21st Century. Our primary role as your investment advisor is that of risk manager. Mitigating risk in your portfolio happens by way of evaluating market trends, participating when markets are good and being on the sidelines in cash when those trends change. We respond to what the market is doing - we do not attempt to guess what the market is going to do. SkyOak takes an active role in managing assets instead of the "set it and forget it" or "periodic rebalancing" approach of many advisors.

SkyOak deploys an investment strategy of using mutual funds, exchange traded funds and individual securities that give clients exposure to major parts of the market. We are only invested in those aspects of the market when the risk associated with that sector is favorable. When the risk is too high for that sector or the market overall we are on the sidelines in cash. We call this cash our "opportunity funds" and those funds stand ready to be allocated again once that sector is in a favorable trend. The science behind our approach is a combination of technical analysis, quantitative analysis and trend following. We evaluate each individual investment in a client portfolio to assess the likelihood of whether that investment is in a long term positive trend or a negative trend and then we act accordingly.

Alternative Investments

In addition to these types of investments the Firm also provides investment advice regarding alternative investments to qualified clients for whom such investments are deemed suitable. These alternative investments may include, but are not limited to, venture capital limited partnerships, private equity, managed future funds, Real Estate Investment Trusts (REITS), and third party funds of funds.

INVESTMENT RISKS

All securities investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Risk refers to the uncertainty that the actual return the investor realizes could differ from the expected return. Risks may be systematic, referring to factors that affect the returns on all comparable investments and that affect the market as a whole. Systematic risks include market risk, interest rate risk, reinvestment rate risk, purchasing power risk and exchange rate risk. Unsystematic risks depend on factors that are unique to the specific investment security. These risks include business risk and financial risk.

Here are some of the general risks associated with parts of our investment strategy:

Short-term purchases - on occasion, generally only for tax management purposes, we may determine to buy or sell securities in a client's account and hold them for less than a year. Some of the risks associated with short-term trading that could affect investment performance are increased commissions and transaction costs to the account and increased tax obligations on the gains in a security's value.

Bond Pricing - The price of bonds depends in part on the current rate of interest. Rising interest rates decrease the current price of bonds because current purchasers require a competitive yield. As such, decreasing interest rates increase the current value of bonds with associated decrease in bond yield. We may decide to exchange to a lower or higher duration bond or to another asset class due to interest rate risk that could affect investment performance.

Inflation - Inflation is the loss of purchasing power through a general rise in prices. If an investment portfolio is designed for current income with a real rate of return of 4% and inflation were to rise to 5% or higher, the account would result in a loss of purchasing power and create a negative real rate of return.

Price Fluctuation - Security prices do fluctuate (except for cash or cash equivalents) and clients must accept that risk associated with the fluctuations or change to a more appropriate investment portfolio in alignment with their risk tolerance.

Reinvestment of Dividends - An investor can choose to reinvest interest, dividends and capital gains to accumulate wealth. This may be an appropriate strategy for a portfolio designed for capital growth. However, the reinvested earnings could result in a lower or a higher rate than was initially earned.

Mutual Funds with Foreign Asset Holdings - Any investments in mutual funds that make foreign investments are subject to the uncertainty with changes in the foreign currency value. The client generally will bear more risk and may earn a substantially higher return or a substantially lower return.

Margin Trading - SkyOak does not advocate leverage as a part of its investment strategy. In rare cases, and generally only for short term financing considerations, clients may elect to assume a margin balance on their investment account. Schwab requires a percentage of assets under management to be pledged as collateral for the margin amount. Clients risk that in a falling market, the pledged collateral may be insufficient to cover a margin call by Schwab. Consequently, all margin decisions are left to the client.

Alternative Asset Classes - Many alternative investments are illiquid, which means that the investments can be difficult to trade. Consequently, such holdings may limit a client's ability to dispose of such investments in a timely manner and at an advantageous price.

Private Equities - SkyOak may purchase or recommend the inclusion of shares in non-publicly traded equities in the accounts of accredited clients. These companies will generally have little available information on their financial status, capital structure or revenues, resulting in increased risk of loss, including total loss. In addition, these securities may be highly illiquid or may experience losses of liquidity - resulting in an inability to sell said equities or sales prices that are substantially below the purchase or market price. SkyOak, unless otherwise expressly agreed, will value these positions at their purchase price for any accounting purposes, which may not reflect losses that would be realized if the position was sold. Of particular risk is that SkyOak will base its account values for billing purposes on these positions' purchase price (unless another methodology is agreed upon with the client), leading to a potential motivation to overvalue said equities. Finally, SkyOak may have clients who are executives of said firms or have other financial relationships that may create conflicts of interest. Where such conflicts exist, SkyOak will disclose these conflicts in written format to the clients who hold such securities or whom we intend to purchase such securities under our discretion prior to any transactions.

Item 9 - DISCIPLINARY INFORMATION

SkyOak has no disciplinary history and consequently, is not subject to any disciplinary disclosures.

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

SkyOak is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer unless specifically stated in this document. Although we recommend that our clients custody their investment accounts at Charles Schwab & Co., Inc. ("Schwab"), we have no affiliation with Schwab, do not supervise its brokerage activities and are not subject to its supervision.

As mentioned above, SkyOak employees Jennifer A. Davis and Donald L. Watson are registered representatives of Brokers International. Brokers International Financial Services is independent and unaffiliated with SkyOak and does not supervise SkyOak's investment management services and has no responsibility for the investment management decisions regarding the Firm's clients' assets or any other services it may offer its clients. Equally, SkyOak does not supervise and is not otherwise responsible for the brokerage services provided by Brokers International Financial Services. Brokerage commissions are charged by Brokers International Financial Services to the client to effect securities transactions and thereafter, a portion of these commissions may be paid by Brokers International Financial Services to registered representatives such as Ms. Davis and/or Mr. Watson. A conflict of interest exists to the extent that the Firm recommends the purchase of securities where such registered employee receives commissions or other compensation as a result of such recommendation.

Sky Oak Wealth Management, Inc. is affiliated with SkyOak Asset Protection Group, LLC, an Oregon limited liability corporation, registered in Oregon as an insurance agency ("SOAPG"). The managing director of SOAPG is and Donald L. Watson, SkyOak's Chief Compliance Officer. SOAPG's agents are able to provide insurance products and services to SkyOak clients through their affiliation with SOAPG.

Although we may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters, neither the Firm nor its principals or employees are affiliated with any law or accountancy firm.

Item 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

SkyOak, its officers, employees, independent contractors, and their immediate families (sometimes collectively "employees") are permitted to buy and sell securities for their personal investment accounts. The Firm has adopted employee personal trading policies and procedures and a code of ethics to govern proprietary (on behalf of the Firm itself) and employee trading practices. SkyOak's employees are required to report all personal securities transactions on a regular basis. Employees are required to sign a certification agreeing to abide by the Firm's personal trading practices and code of ethics. A copy of SkyOak's employee trading policies and code of ethics is made available to clients and prospective clients upon request.

SkyOak employees may trade in the same securities traded for clients. However, it is the expressed policy of the Firm that no employee shall prefer his or her own interest to that of an advisory client. Employees may personally invest in the same securities that are purchased for client trading accounts and may own securities that are subsequently purchased for client accounts.

From time to time, trading by employees in particular securities may be restricted in recognition of impending investment decisions on behalf of clients. If a security is purchased or sold for client accounts and employees on the same day, employee trades will be aggregated with those of participating client accounts, or will be traded at the end of the trade day. If purchased or sold on different days, it is possible that employees' personal transactions might be executed at more or less favorable prices that were obtained for clients.

Employees may buy or sell different investments, based on personal investment considerations, which the Firm may not deem appropriate to buy or sell for clients. It is also possible that Employees may take investment positions for their own accounts that are contrary to those taken on behalf of clients. Employees may also buy or sell a specific security for their personal account based on personal investment considerations aside from company or industry fundamentals, which are not deemed appropriate to buy or sell for clients. This can occur when securities that are not suitable for clients at the time of purchase (e.g., speculative stocks, micro-cap stocks, penny stocks), are purchased by the Firm and/or its employees.

Conversely, employees may liquidate a security position that is held both for their own account and for the accounts of Firm clients, sometimes in advance of clients. This occurs when personal considerations (i.e., liquidity needs, tax-planning, industry/sector weightings) deem a stock sale necessary for individual financial planning reasons.

Item 12 - BROKERAGE PRACTICES

RECOMMENDATION OF SCHWAB AS CUSTODIAN AND EXECUTING BROKER

SkyOak recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc., a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Schwab is independently owned and operated and not affiliated with SkyOak and does not supervise or otherwise monitor SkyOak's investment management services to its clients. Schwab provides SkyOak with access to its institutional trading and custody services, which typically are not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab, but are not otherwise contingent upon SkyOak committing to Schwab any specific amount of business (in the form of either assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are

otherwise generally available only to institution investors or would require a significantly higher minimum initial investment.

Schwab also makes available to SkyOak other products and services that benefit SkyOak but may not benefit its clients. Some of these other products and services assist SkyOak in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of SkyOak's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of SkyOak's accounts, including accounts not maintained at Schwab. Schwab also makes available to SkyOak other services intended to help SkyOak manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to SkyOak by independent third parties. Schwab may discount or waive fees it otherwise would charge for some of these services or pay all or a part of the fees of a third-party providing these services to SkyOak.

SkyOak's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to SkyOak of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

DIRECTED BROKERAGE

In a limited number of cases, clients may direct SkyOak to place all orders for securities transactions with a specific broker-dealer (directed brokerage). In these cases, SkyOak is not obligated to, and will generally not solicit competitive bids for each transaction or seek the lowest commission rates for the client. As such, the client may pay higher commission costs, higher security prices and transaction costs than it otherwise would have had it not directed SkyOak to trade through a specific broker. In addition, the client may be unable to obtain the most favorable price on transactions executed by SkyOak as a result of SkyOak's inability to aggregate/bunch the trades from this account with other client trades.

As a result of the special instruction, SkyOak may not execute client securities transactions with brokers that have been directed by clients until non-directed brokerage orders are completed. Accordingly, clients directing brokerage may not generate returns equal to clients that do not direct brokerage.

Due to these circumstances, there may be a disparity in commission rates charged to a client who directs SkyOak to use a particular broker and performance and other

differences from other similarly managed accounts. Clients who direct brokerage should understand that similar brokerage services may be obtained from other broker-dealers at lower costs and possibly with more favorable execution.

BEST EXECUTION

SkyOak is not obligated to obtain the best net price or lowest brokerage commission on any particular transaction. Rather federal law requires investment managers to use their reasonable best efforts to obtain the most favorable execution for each transaction executed on behalf of client accounts.

In selecting broker-dealers, SkyOak's primary objective is to obtain the best execution. Expected price, giving effect to brokerage commissions, if any, and other transaction costs, are principal factors, but the selection also takes account of other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealers willingness to commit capital, the broker-dealers reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the market for the security, the value of any research and other brokerage services provided by the broker-dealer, and the cost incurred by placing prime brokerage trades in client accounts.

Based upon an evaluation of some or all of these factors, SkyOak may execute client trades through broker-dealers that charge fees that are higher than the lowest available fees. SkyOak may select broker-dealers whose fees may be greater than those charged for similar investments if SkyOak determines that brokerage services and research materials provided by that broker-dealer warrant the payment of higher fees.

SkyOak reviews transaction results periodically to determine the quality of execution provided by the various broker-dealers through whom SkyOak executes transactions on behalf of clients.

SOFT DOLLAR ARRANGEMENTS AND POTENTIAL CONFLICTS

SkyOak is not a party to any arrangements whereby it receives from an executing broker or allows a broker to pay for research or brokerage services, known as "soft dollar" arrangements. "Soft dollars" refers to the use of brokerage commissions on client trades to pay for the soft dollar research or brokerage services received.

SkyOak may, on occasion, be the recipient of unsolicited research or discounts on software and other services from Schwab. The discounts are generally offered to all firms who fit a common profile and SkyOak is not offered such discounts because of a particular event or request. Such discounts are accepted with the intent to benefit all clients and the value of these discounts is not considered in the process of selecting securities to purchase for client accounts.

AGGREGATION OF TRADES AND POTENTIAL CONFLICTS

SkyOak may combine transaction orders on behalf of multiple clients and allocate the securities or proceeds on an average price basis among the various participants in the transactions. SkyOak and/or its associated persons may participate in such aggregated orders.

While SkyOak believes combining transaction orders in this way should, over time, be advantageous to all participants, in particular cases the average price could be less advantageous to a particular client than if such client had been the only client effecting the transaction or had completed its transaction before the other participants. There may be circumstances in which transactions on behalf of SkyOak or its associated persons may not, under certain laws and regulations, be combined with those of some of SkyOak other clients. In such cases, neither SkyOak nor any associated person will effect transactions in a security on the same day as clients until after the clients' transactions have been executed.

When orders are aggregated, the price paid by each account is the average price of the order. Transaction costs are allocated to each client by the client's custodian according to the client's custodial agreement. It is our policy that trades are not allocated in any manner that favors one group of clients over another over time. Client transactions may be aggregated according to custodial relationship in consideration of "trade away" charges that may be imposed if trades are directed to a non-custodial broker-dealer for execution. Aggregated trades placed with different executing brokers may be priced differently.

ALLOCATION OF OPPORTUNITIES AND POTENTIAL CONFLICTS

Because we manage more than one client account, there may be a conflict of interest related to the allocation of investment opportunities among all accounts managed by the Firm. We attempt to resolve all such conflicts in a manner that is generally fair to all of clients over time. We may give advice and take action with respect to any of our clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon individual client circumstances. It is our policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients. The Firm is not obligated to acquire for any client account any security that the Firm or its owners, officers, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of the portfolio managers, based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

Item 13 - REVIEW OF ACCOUNTS

SkyOak monitors client investment accounts and transactions on a daily basis. Client reviews of account performance, asset allocation and investment holdings are

conducted on at least an annual basis. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, changes in the market or political environment. Investment management account reviews are conducted by Jennifer A. Davis, CFP®, President and Portfolio Manager. All investment management clients are encouraged to discuss their investment goals and objectives with SkyOak and to keep the Firm informed of any changes thereto. SkyOak contacts ongoing investment management clients at least annually to discuss any changes in the client's financial situation and/or investment objectives.

For those financial planning and financial consulting clients, reviews are conducted upon client request and as agreed to by SkyOak. Financial planning reviews are conducted by Ms. Davis, Donald Watson, and/or Mr. Wisnovsky.

Clients receive periodic reports, no less than annually, from SkyOak that include relevant account and/or market-related information such as an inventory of account holdings and account performance. Clients also receive monthly statements from the qualified custodian of the account, which is generally Charles Schwab & Co., showing all securities holdings, contributions, withdrawals and other activities to their accounts. Clients are advised to regularly compare the reports received from SkyOak with the statements received from the custodian to verify holdings.

Those clients to whom SkyOak provides financial planning and financial consulting services will receive ongoing financial analyses only as requested by the client and as agreed to by SkyOak.

Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION

SkyOak may pay referral fees, where permitted by law, to any third party firms or individuals for recommending the Firm to prospective clients. The Firm or its employees may be paid referral fees by any third party for referring clients to their businesses. We do not direct brokerage transactions to any broker-dealer in exchange for receiving client referrals.

Item 15 - CUSTODY

SkyOak does not maintain physical custody of client funds or securities. Clients are required to set up their investment accounts with a "qualified custodian," namely a broker dealer, bank or trust company. SkyOak is unable to take even temporary possession of client assets for the purpose of transferring them to the client's account. Each client has a direct relationship with their custodian and is responsible for making deposits to and withdrawals from their account as necessary. The Firm is given the authority to receive payment of its management fees directly from the account, but it is not authorized to make any other withdrawals or to transfer money out of the account to a third party.

Disclosures Related to Custodians

The Schwab Advisor Services Division of Schwab acts as custodian and executing broker-dealer for SkyOak clients. Schwab is independently owned and operated and not affiliated with SkyOak and does not supervise or otherwise monitor our investment management services to our clients.

For SkyOak client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into client accounts that are held with Schwab. In most cases, trade executions for client accounts custodied at Schwab will be made by Schwab to avoid “trade away” charges otherwise imposed for trades executed at other broker-dealers. In cases where a desired security is not available for purchase or sale through the custodial broker, and in light of our best execution evaluation, certain executions may be made at a different broker-dealer.

Schwab sends account statements directly to the client (or to an independent third party representative designated by the client), no less than monthly, showing all funds and securities held, their current value and all transactions executed in the client’s account, including the payment to SkyOak of its investment management fees.

Item 16 - INVESTMENT DISCRETION

Clients appoint SkyOak as their investment advisor and grant full trading and investment authority over their assets at the time they establish their investment accounts. Subject to the Firm’s investment strategy and the client’s investment objectives, our portfolio managers are given full discretion to determine:

- Types of investments;
- Which securities to buy;
- Which securities to sell;
- The timing of any buys or sells;
- The amount of securities to buy or sell; and
- The broker-dealer to be used in the transaction

This discretion may be limited by client investment guidelines and by any investment restrictions set by the client. Where possible, the Firm will attempt to negotiate the commission rates at which transactions for client accounts are effected, with the objective of attaining the most favorable price and market execution for each transaction.

Except in the case of directed brokerage instructions, client securities transactions generally are executed through the custodian of their account to avoid “trade away” fees for trades that are executed at other broker-dealers. In some cases, a particular

security may be not be available through the client's custodian or available only under execution parameters or at an overall cost that makes the use of an alternative executing broker more advantageous for that transaction. In such cases, the portfolio managers have the discretion to select the broker to execute the trade.

Item 17 - VOTING CLIENT SECURITIES

It is SkyOak policy not to vote proxy solicitations received on behalf of clients from the issuers of securities held in client's account. All such solicitations can be forwarded to client for voting upon receipt of a client request. Any client wishing to review our proxy voting policies in full may request a copy.

Item 18 - FINANCIAL INFORMATION

SkyOak does not require or solicit prepayment of more than \$500 of its investment management fees from clients six or more months in advance. There are no adverse conditions related to the Firm's finances that are likely to impair its ability to meet its contractual commitments to its clients. The Firm has not been the subject of a bankruptcy filing in the last ten years.

Item 19 - REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Please refer to the Firm's Form ADV Part 2B Supplements for the formal education and business backgrounds of its professional employees.

SkyOak is not involved in any other business activities.

SkyOak does not accept performance based investment management fees.

No member of the Firm's senior management has been involved in, been held liable for or been subjected to an award or judgment for any arbitration, civil action, self-regulatory organization proceeding or administrative proceeding involving an investment related business or activity, fraud, false statement or omission, theft, embezzlement or wrongful taking of property, bribery, forgery, counterfeiting, extortion, dishonest, unfair or unethical practices.

All material conflicts of interest under California Corporations Code Section 260.238 (k) regarding the Firm and its employees which could be reasonably expected to impair the rendering of unbiased and objective advice are disclosed in this brochure.