

Item 1: Cover Page



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This brochure provides information about the qualifications and business practices of Oakmont Partners, LLC. If you have any questions about the content of this brochure, please contact us at (617) 227-3170 or e-mail John DeSimone at [JDeSimone@Oakmontpwm.com](mailto:JDeSimone@Oakmontpwm.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 Oakmont Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Item 2: Material Changes

This is Oakmont Partner's second brochure, as such we have materially changed the following sections.

Item 4: In order to mitigate systemic risk in the capital markets and enhance client returns, Oakmont recommends from time to time and for certain clients, for which Oakmont believes it to be suitable, investments in private offerings. These opportunities are at the election of the client. The principals of Oakmont invest alongside the clients and investment advisor representatives that choose to invest under identical terms.

Item 4: Assets under management have been changed as of December 31, 2012 as follows:

Discretionary:	\$194,736,209.55
Nondiscretionary:	<u>\$784,176,277.85</u>
<b>Total:</b>	<b>\$978,912,487.30</b>

Item 6: Oakmont does not receive any performance based fees from clients. However, the principals of Oakmont formed several other companies including, Oakmont Capital Partners, LLC; Oakmont Ventures, LLC; OPP-I, L.P.; Oakmont Principals, LLC, OPP-II Business Trust, OPP-III Business Trust, OPP-IV Business Trust, and OPP-V Business Trust. All OPP entities were formed to aggregate investments into the equity and debt of a single privately held company. OPP-III, OPP-IV, and OPP-V are invested in the same company but different capital instruments in the same company.

**OPP-I, L.P., OPP-II BUSINESS TRUST, and OAKMONT CAPITAL PARTNERS, LLC**

Oakmont has recommended to several clients, for whom this investment is suitable, that they invest in OPP-I, L.P. Similarly, the principals of Oakmont have invested in OPP-I, L.P. under the same terms and conditions as the clients. Under the terms of this arrangement, Oakmont Capital Partners, LLC, the general partner, has the opportunity to receive a management fee and performance fee from this investment. However, Oakmont Capital Partners, LLC has agreed not to take any fee, performance or management, from OPP-I, L.P. For those clients being charged as a percentage of asset under management, OPP-I, L.P. is being reported at cost basis for purposes of performance and the calculation of the fee.

Oakmont Capital Partners, LLC is the trustee of OPP-II and has the right to receive 10% of the net capital gains from sale of the assets of OPP-II Business Trust. Oakmont has recommended this investment to certain clients. Oakmont does not charge a fee to any client on the value of this asset.

**OAKMONT VENTURES, LLC**

Oakmont Ventures, LLC provides consulting services to privately held companies from time to time. No Clients may participate in Oakmont Ventures but Oakmont Ventures may provide its services to companies of clients of Oakmont. Oakmont Ventures does own interests in private companies. One particular investment is commonly owned with clients and clients that have invested in OPP-I, L.P.

Item 2: Material Changes

**OAKMONT PRINCIPALS, LLC, OPP-III BUSINESS TRUST, OPP-IV BUSINESS TRUST, and OPP-V BUSINESS TRUST**

Oakmont Principals, LLC is held exclusively by the members and investment advisory representatives of Oakmont. Oakmont Principals serves as the trustee of OPP-III, OPP-IV, and OPP-V. Oakmont Principals is not entitled to any fee for services, performance or otherwise.

OPP-III, OPP-IV, and OPP-V are owned by the principals of Oakmont, investment advisory representatives of Oakmont, clients of Oakmont, and other outside individuals.

None of the entities listed in this Item 6 are open for new or additional investors.

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Item 4: Advisory Business

Oakmont Partners, LLC ("Oakmont") is a Massachusetts limited liability company that was organized on April 4, 2006. Oakmont filed its Form ADV with the Securities Exchange Commission ("SEC") on July 6, 2006. The Form ADV is filed by advisers in order to be registered as an investment adviser with the SEC. IN NO WAY DOES BEING REGISTERED AS AN INVESTMENT ADVISER WITH THE SEC IMPLY ANY CERTAIN LEVEL OF SKILL OR TRAINING. Oakmont is owned and operated by three individuals namely, Peter Mawn, John DeSimone, and Myranda O'Bara. Biographical and ownership information for each owner is provided later in this section.

Oakmont provides investment, financial, and life planning services to all its clients.

**INVESTMENT**

Under our investment services, Oakmont provides both discretionary and nondiscretionary opportunities. Discretionary means that Oakmont makes the decisions on what securities to buy and sell for a client's portfolio, without requiring the client's consent, and Oakmont is responsible for taking action on those decisions and executing those trades. Nondiscretionary means that Oakmont makes investment recommendations to the clients, but the client is responsible for acting on those recommendations. Clients have an absolute right to decline to implement any nondiscretionary recommendation Oakmont provides.

Regardless of whether the client chooses discretionary or nondiscretionary services, Oakmont meets with the client to gather information about the client's current situation and their future goals and needs. During these conversations, Oakmont gains insight into the appropriate risk tolerance of each client. Using the goals, objectives and risk tolerance determined in this process, Oakmont may help the client develop a personal investment policy, when stated in the engagement letter. The policy, when applicable, is used by Oakmont as the basis for developing and managing a portfolio for the client.

Oakmont also provides investment services to company profit sharing, 401(k) and 403(b) plans. Depending upon the plan's platform and third party administrator, Oakmont's services may be discretionary, nondiscretionary, or a hybrid. For example, for some plans we manage, Oakmont decides the mutual funds available to the participants and helps the participants allocate among those funds. The plan assets for all the participants are aggregated in one account, but each participant has their own asset allocation. Ultimately the participant in the plan decides the final allocation for themselves, and either the participant or Oakmont will deploy the allocation, depending on the structure of the plan. Other plans are aggregated for all the participants and Oakmont will invest the pool according to an aggregate policy and maintain full discretion to invest in any asset. Oakmont does not have any affiliation with third party administrators, accounting fiduciaries, tax advisors, nor overall administration of these plans. However, Oakmont does assist the clients in setting up qualified plans, and provide assistance between the third party administrator and client, when needed, as the investment manager to the plan.

Our investment philosophy is premised on diversification and asset allocation. While macroeconomic conditions, market conditions, and other quantitative measures might cause Oakmont to tactically shift a portfolio away from its target allocation, Oakmont ultimately seeks to manage the portfolios, over the long term, to each client's appropriate target allocation.

Oakmont does not employ generic model portfolios that clients are placed into based on a commonality of risk profiles or objectives. Rather, Oakmont customizes portfolios for each client,

Item 4: Advisory Business

regardless of whether the client has engaged Oakmont for discretionary or nondiscretionary investment services. When constructing the portfolios, in addition to a client's goals, objectives and risk tolerance, Oakmont takes into consideration taxes, number of accounts, size of the portfolio, and the characteristics of the investments Oakmont uses to populate the portfolios (i.e. fees, investment minimums, holding requirements, etc.) The result is that clients with similar profiles might have identical target allocations and holdings, different target allocations and identical holdings, or identical target allocations but different holdings.

When constructing a portfolio, Oakmont starts with allocation to the major Asset Categories; Cash, Equities, Bonds, Commodities, and Alternative Investments in line with a client's goals, objectives, and risk tolerance. Once those allocations are determined, each Asset Category is broken down further into the specific Asset Classes and an allocation to each is determined. Examples of Asset classes include, but are not limited to, Domestic Large Cap Equities, Domestic Mid Cap Equities, Domestic Small Cap Equities, Real Estate, International, Taxable Fixed Income, Tax Exempt Fixed Income, Government Fixed Income, High Yield Bonds, Commodities, and Alternative Investments. The Asset Classes used for each client will be stated in the investment policy, when applicable. The number of Asset Classes deployed in a particular client's portfolio is within Oakmont's discretion consistent with the suitability of the client.

Once Oakmont creates a client's target allocation, we may then create a hypothetical portfolio using Morningstar Research populating each Asset Class as outlined in the target allocation with securities either on Oakmont's list of preferred securities, currently held by the client, or securities researched by Oakmont that are appropriate for the client. This helps Oakmont determine whether the portfolio, as designed, is suitable to meet the client's objectives within the client's risk parameters. When developing portfolios for clients in qualified plans, there are times when Oakmont is restricted in the investment choices due to plan restrictions. In this case, Oakmont uses those assets available in the plan, or creates a proxy (substitute) for those assets to make the hypothetical portfolio. THE HYPOTHETICAL PORTFOLIO IS A HISTORICAL PERSPECTIVE ON THE PORTFOLIO, THUS PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.

Oakmont primarily uses exchange trade funds ("ETFs") and mutual funds to populate its portfolios. From time to time, Oakmont will recommend and populate portfolios with specific issue stocks and bonds. Where appropriate, Oakmont may recommend the use of options and other derivative instruments as well. Oakmont does not limit itself to any specific asset, rather, we will research and utilize any asset which will improve the client's ability to achieve their goals and objectives or reduce their risk. Oakmont does not use Mutual funds with sales "loads" nor do we have or offer any proprietary products to our clients.

In order to mitigate systemic risk in the capital markets and enhance client returns, Oakmont recommends from time to time and for certain clients, for which Oakmont believes it to be suitable, investments in private offerings. These opportunities are at the election of the client. The principals of Oakmont invest alongside the clients and investment advisor representatives that choose to invest under identical terms.

Many clients join Oakmont with existing positions in ETFs, stocks, bonds, mutual funds and other holdings. Overtime, Oakmont intends to shift the portfolio over into ETFs and mutual funds. Depending

Item 4: Advisory Business

upon the tax ramifications, quality of the holdings, and market conditions, this transition can take up to several years to fully transition.

Oakmont research comes from several sources including periodicals, newspapers, websites, Fidelity, TD Ameritrade, Morningstar and other sources. Oakmont does not rely on one source exclusively for information. While Morningstar is our primary research tool for specific securities, we do use other sources, including online services such as Yahoo Finance and CNBC.

Some clients may request that they not be invested in certain assets such as tobacco or liquor stocks. Given that Oakmont invests primarily in ETFs and mutual funds, we generally cannot accommodate such requests. However, Oakmont will honor such request as it pertains to specific securities. In other words, Oakmont will not purchase stock in a specific company upon the client's request. However, this would not prevent Oakmont from purchasing an ETF which may have exposure to that stock.

As of December 31, 2012 Oakmont manages the following assets:

Discretionary:	\$194,736,209.55
Nondiscretionary:	<u>\$784,176,277.85</u>
<b>Total:</b>	<b>\$978,912,487.30</b>

The "Nondiscretionary" category above is an engagement under which Oakmont gets compensated for a fixed fee to advise a client on their overall portfolio allocation and separate account managers, hired by the clients. Under this engagement, the client is the sole authority and exclusively responsible for implementing all recommendations.

**FINANCIAL**

Oakmont offers an array of financial planning services. These services include retirement planning, insurance review, capital needs planning, succession planning, tax planning, estate planning, education planning, and other planning matters directly related ones financial health and condition.

Oakmont uses third party commercial applications as well as internally prepared spreadsheets to perform and model the planning matters.

Also as part of these services, we offer income tax preparation for individuals, trusts, estates, small partnerships and corporations. Tax preparation may be charged separately from the Investment, Financial, or Life Planning services. This is further defined in Item 5.

**LIFE PLANNING**

Oakmont will provide advice to clients on matters not involving financial concerns, but which are directly relevant to the overall quality of life of the client. Such matters include second career, philanthropic, and family meeting and governance assistance.

Item 4: Advisory Business

**BIOGRAPHIES**

**Peter Mawn**

Managing Partner

Born: 1950

Education:

Graduated from University of Massachusetts, Lowell with a B.S. in Industrial Management

Graduated from University of Massachusetts, Amherst with an MBA

Business Background:

First Commons Bank, Director

John Hancock Financial Services, Senior Vice President of Bank and B/D Distribution

Fidelity Investments: Senior Vice President of Fidelity Personal Trust Services

Senior Vice President of Spartan Brokerage

Senior Vice President of Fidelity Capital Markets

**John DeSimone**

Managing Partner/CCO

Born: 1970

Education:

Graduated from Bryant College in 1992 with a B.S. in Business Administration

Graduated from the University of Baltimore in 1996 with a M.B.A. and J.D.

Graduated from Boston University School of Law in 2000 with a L.L.M. in Taxation

Achieved the Certified Financial Planner (CFP) designation in 2002

Achieved the Certified Investment Management Analyst (CIMA) designation in 2003

Achieved the Accredited Asset Management Specialist (AAMS) certificate in 2005

Achieved the Accredited Wealth Management Advisor (AWMA) certificate in 2008

Business Background:

CastleGuard Wealth Management, Ltd., Owner and President

Law Office of John F. DeSimone, Owner

Metaxas, Norman & Pidgeon, LLP, Lawyer

HD Vest Advisory Services, Personal Advisor

Ernst & Young Investment Advisors LLP, Manager

Fidelity Brokerage Services, Senior Analyst



Item 4: Advisory Business

**Myranda J. O'Bara**

Managing Partner

Born: 1953

Education:

Graduated from the University of New Hampshire with a B.S. in Business Administration with a concentration in Finance

Business background:

Johnson Illington Advisors, LLC, Founding Partner

First Albany Asset Management, Managing Director

Loch Lomond Capital Management, Founder

PNC Bank of New England, Chief Investment Officer

The Massachusetts Company, Chief Investment Officer

Item 5: Fees and Compensation

Oakmont's only source of income is from its clients. Oakmont does not receive any income from any other source. In addition, Oakmont does not receive any compensation for any trades placed by or through Oakmont, nor from any asset based fees or services fees from mutual funds or other investment products.

Oakmont charges its clients under several pricing structures. A client might pay one or all, depending on the services requested by the client. Oakmont is flexible in the calculation of its fees in that all the terms and conditions are negotiable. Oakmont's pricing structure is as follows:

1. Fee charged as a percentage of assets under management for Investment, Financial, and Life Planning Services. Depending upon the clients wants, needs, size, overall relationship and complexity, Oakmont can charge up to 1.25% annually of the assets under management. While this is an annualized fee, the fees are calculated and paid on a quarterly basis. This fee is calculated on the average daily balance of a client's portfolio for the prior three months of a quarter. For example, if the negotiated fee was 1% annually, the quarterly fee would be 0.25%. Oakmont follows a calendar year end and quarter calculation. The 0.25% would be calculated on the average balance of the client's portfolio over the course of the applicable three months.

For example, suppose a client opened an account with \$10,000 on January 1<sup>st</sup> and the value of the account on March 31<sup>st</sup> was \$10,500. The client had the account open for the full quarter, approximately 90 days. Oakmont will add the value of the account on each day of the quarter and divide by 90 to determine the average daily balance. For purposes of this calculation, let's say the average totals \$10,250. Therefore, the 0.25% is multiplied against the \$10,250 for a quarterly fee of \$25.63.

For purposes of discussion, clients with very complex planning issues and investment holdings can expect to be toward the higher percentage charged while clients with modest planning and investment concerns can expect to be charged less.

For assets held at National Financial Services (a Fidelity Investments company) and TD Ameritrade, we will automatically deduct this quarterly fee from the account on or about the 15th of the month following the end of the calendar quarter. Thus, the fee will be swept on or about April 15<sup>th</sup>, July 15<sup>th</sup>, October 15<sup>th</sup>, and January 15<sup>th</sup>. If a client terminates its relationship with Oakmont during a quarter, and Oakmont bills that client in arrears, Oakmont will invoice that client for its fees for that quarter up to the date of termination.

For clients engaging Oakmont on a nondiscretionary basis who agree to be charged as a percentage of assets under management, Oakmont will invoice those services on a quarterly basis as well.

As mentioned above, these fees are fully negotiable. Below we have listed several negotiated fees structures with clients.

- Bill in advance off final portfolio value in prior quarter. For several clients we charge the quarterly percentage in advance of the quarter based upon the value of the account on the last day of the previous quarter. For example, a client's account balance on March 31<sup>st</sup> is \$10,000 and the annual fee is 1% (0.25% per

Item 5: Fees and Compensation

quarter) we will charge \$25.00 for the quarter encompassing April, May, and June on or about the 10<sup>th</sup> of the month following the end of the quarter. If Oakmont does bill in advance of a quarter, the client has the right to a refund for their prorated portion of the fee following the termination of the client's engagement with Oakmont. The client only needs to provide a letter of termination to Oakmont at which time Oakmont will refund the prorated fee from that date forward within 30 days.

- Break Points. For several clients a fee is charged using breakpoints. This is where a percentage is charged on assets up to a level, and another lower percentage is charged on assets over that level. There can be many breakpoints in these calculations. An example of a breakpoint is where Oakmont would charge 1.00% for assets under management up to \$1 million, 0.75% for assets between \$1 million and \$2 million, and 0.50% for all assets over \$2 million. Breakpoints become increasingly applicable for clients with assets in excess of \$5 million.
  - Discounting. Several clients have assets or accounts that are discounted. For example, if we have an illiquid security, cash or cash equivalents, municipal bonds, or a position that the client has no expectation to sell, Oakmont can mark that asset to be valued at zero or something less than its fair market value for the purposes of the fee calculation.
2. Fixed Fee for Investment, Financial and Life Planning Services. Depending upon the breadth of services engaged for by the client, the duration of engagement, and complexity, Oakmont will negotiate a fee with the client. The engagement letter will clearly state the services to be offered and the agreed upon fee. The factors Oakmont considered when determining fall to the time and resources required to fulfill its obligation under the engagement. While Oakmont uses the percentage or assets above as our basis, it is by no means the exclusive determination.

For one time engagements (running a retirement plan to performing a portfolio diagnoses) the fee will be paid 50% at the signing of the engagement letter and 50% upon the completion of the engagement. For ongoing engagements, the fee will be paid quarterly at the beginning of each quarter.

An engagement may be terminated at any time, by either party, for any or no reason by written notice. The effective date of termination will be the date the written notice is received by the recipient. Upon termination, any prepaid fees will be refunded to the client on a prorated basis using the unit of measure for which the fee is calculated. Likewise, any fee a client owes to Oakmont upon termination of the agreement will be invoiced to the client by Oakmont. Under no circumstance will a fixed fee be charged when the client pays more than \$1,000 six (6) months or more in advance of services being offered.

To help understand fee for services, here are a few examples of the negotiation for fixed fee engagements. If a client wants Oakmont to diagnose and assess a portfolio, prepare a retirement projection, and review some education financing alternatives as a one-time engagement, the fee could be between \$1,000 and \$3,000. Alternatively, a foundation with a

Item 5: Fees and Compensation

\$100 million endowment with Oakmont providing investment direction and guidance as well other investment related services on a continuous basis, the fee could be between \$50,000 and \$150,000. Lastly, a client with \$1 million wishes to engagement Oakmont on a continuous basis for all services should experience a fee of between \$8,000 and \$12,500. While these examples are purely hypothetical, it is to provide of basis for clients to understand Oakmont's estimation of fees.

3. Fees for Tax Return Preparations. Oakmont charges a flat fee for the preparation of tax returns for clients. This fee is directly related to the complexity of the tax return. The fee for tax returns generally will be between \$0 and \$2,500.

While Oakmont only receives fees from its clients, Oakmont clients are charged fees from other sources. Clients can expect to be charged fees from the client's custodian (National Financial Services, TD Ameritrade, and others). These fees include trade commissions, short term trading fees on mutual funds, custodian fees for certain retirement accounts, wire fees and others. Oakmont recommends that the clients read their account applications to gather a full range of information in regard to the fees each of their respective custodians charge. Furthermore, certain investments that Oakmont makes have fees imbedded in the instruments. For example, Mutual funds and ETFs all have expenses to operate and manage those funds. Most funds provide compensation in the form of loads (fees to buy or sell the funds themselves) and 12(b)-1 (marketing fees paid annually) fees to brokers who sell these funds. Oakmont does not receive any compensation from either loads or 12(b)-1 fees on funds purchased. When Oakmont does purchases mutual funds for clients, Oakmont only purchases load waived and no-load mutual funds.

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

Oakmont does not receive any performance based fees from clients. However, the principals of Oakmont formed several other companies including, Oakmont Capital Partners, LLC; Oakmont Ventures, LLC; OPP-I, L.P.; Oakmont Principals, LLC, OPP-II Business Trust, OPP-III Business Trust, OPP-IV Business Trust, and OPP-V Business Trust. All OPP entities were formed to aggregate investments into the equity and debt of a single privately held company. OPP-III, OPP-IV, and OPP-V are invested in the same company but different capital instruments in the same company.

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Oakmont has recommended to several clients, for whom this investment is suitable, that they invest in OPP-I, L.P. Similarly, the principals of Oakmont have invested in OPP-I, L.P. under the same terms and conditions as the clients. Under the terms of this arrangement, Oakmont Capital Partners, LLC, the general partner, has the opportunity to receive a management fee and performance fee from this investment. However, Oakmont Capital Partners, LLC has agreed not to take any fee, performance or management, from OPP-I, L.P. For those clients being charged as a percentage of asset under management, OPP-I, L.P. is being reported at cost basis for purposes of performance and the calculation of the fee.

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OPP-III, OPP-IV, and OPP-V are owned by the principals of Oakmont, investment advisory representatives of Oakmont, clients of Oakmont, and other outside individuals.

None of the entities listed in this Item 6 are open for new or additional investors.

Item 7: Types of Clients

Oakmont generally provides Investment services to individuals, families, trusts, foundations, charities, and company qualified plans. Our Financial and Life Planning Services are provided to individuals and families.

Oakmont typically requires a client to clients to have \$1 million in investable assets. However, under certain circumstances, and at Oakmont's complete and absolute discretion, this requirement may be waived. For example, we will waive the minimum required assets when the prospective client is a relative or close friend of an existing client. Another example is when the client has complex planning issues (private business owner, executive of a public company, etc.) with investable assets less than the \$1 million.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Under Item 4, we outlined our investment philosophy and investment strategy. Oakmont's investment philosophy is premised upon diversification and asset allocation across the Asset Categories and Classes. Within each Asset Class, Oakmont seeks to diversify the portfolio using predominantly Exchange Trade Funds (ETFs) and Mutual Funds. From time to time and when appropriate, Oakmont will purchase individual stocks and bonds. As part of certain allocations for qualified clients, Oakmont will recommend investments in private companies. Items 4 and Items 6 further provide the terms and conditions under which private investments are recommended to clients.

**RISKS**

While research suggests well allocated and diversified portfolios experience less volatility during normal market conditions, during periods of extraordinary volatility, Asset Classes tend to behave similarly thus reducing the benefit of allocation and diversification. As a result, a client can experience losses should these conditions arise.

**INVESTING DOES ENTAIL THE POSSIBILITY OF LOSS. ALL CLIENTS NEED TO BE AWARE THAT THEY CAN LOSE MONEY WITH ANY INVESTMENT, INCLUDING THEIR ENTIRE INVESTMENT.**

Other risks are present through the strategy deployed by Oakmont as well as those inherent in ETFs and Mutual Funds, they include:

1. **Asset Class Risk:** Securities in the ETF or Mutual Fund and the ETFs and Mutual Funds themselves may underperform in comparison to the general securities markets or other asset classes.
2. **Concentration Risk:** To the extent that an ETF or Mutual Fund's investments are concentrated in a particular country, market, industry, or asset class, the fund may be susceptible to loss due to adverse occurrences affecting that concentration.
3. **Credit Risk:** The ETF or Mutual Fund could be subject to the risk that debt issuers and other counterparties fail to honor their obligations.
4. **Income Risk:** The ETF or Mutual Fund income might decrease if interest rates fall.
5. **Interest Rate Risk:** an increase in interest rates can cause the ETF or Mutual Fund principal to fall.
6. **Issuer Risk:** The ETF or Mutual Fund performance depends on the performance of the securities in which the fund invests. Changes to the financial conditions of company in which the investments are made can cause the underlying securities to decline in value.
7. **Liquidity Risk:** Exists when a particular investment becomes hard to buy or sell. This can reduce the value of the investment.
8. **Management Risk:** If within an ETF or Mutual Fund, the manager chooses to invest in securities outside an Index, the strategy deployed by the manager may not experience the intended results and reduce the value of the portfolio.
9. **Market Risk:** The ETF or Mutual Funds can lose money in due to market movements and downturns.
10. **Market Trading Risk:** This risk includes the potential lack of an active market for shares, losses from trading on secondary markets, and disruption in the creation and redemption of share units. The result is that that securities can trade at substantial premiums and discounts.
11. **Non-Diversification Risk:** There may be a concentrated position in securities, one or several, where performance depends on small number of issuers.
12. **Passive Investment Risk:** The ETF or Mutual Funds where the management does not take defensive positions in declining markets. This can have a negative impact on a portfolio.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

13. Securities Lending Risk: The risk that borrowers of securities might fail to return the securities in a timely manner or at all. Or a loss might be incurred when the value of the collateral decreases as well.
14. Tracking Error Risk: The performance of a portfolio or fund can deviate from its intended target or index it was to track.
15. Equity Securities Risk: Equity securities might be volatile and deviate from the returns of other asset classes. This also includes the risk associated with certain equity asset classes. For example, Emerging Markets are more risky than Developed Markets. Small-Cap companies are more risky than Mid-cap companies and Mid-Cap are more risk than Large cap.



Item 9: Disciplinary Information

There are no legal or disciplinary events to Oakmont or its management personnel to disclose.

Item 10: Other Financial Industry Activities and Affiliations

John F. DeSimone, an owner of Oakmont Partners, is an attorney and from time to time may provide legal services to clients for a fee separate from Oakmont fees. John may also provide legal services to others who might become clients of Oakmont subsequent to the legal engagement. John also provides certain other strategic consulting services to individuals and businesses.

Oakmont and its owners have disclosed certain investment vehicles in Item 6 under which Oakmont owners and advisers co-invest with clients in private investments. The purpose and design of that structure was to avoid any conflict of interest and align Oakmont with its clients. Oakmont has disclosed in writing the owners and advisers participation in the deals before a client makes an investment.

None of Oakmont's owners, managers, or advisors have any affiliation with any Broker/Dealer.

Item 11: Code of ethics, Participation or Interest in Clients Transactions and Personal Trading

CODE OF ETHICS

Oakmont has adopted a Code of Ethics which sets forth high ethical standards of business conduct that Oakmont requires of its employees, including compliance with applicable federal securities laws.

Oakmont's Code of Ethics requires the prior approval of any acquisition of securities in a limited offering (e.g. private placement) or an initial public offering. Oakmont's code also includes oversight, enforcement and recordkeeping provisions. A complete copy of Oakmont's Code of Ethics is available to Oakmont's advisory clients upon request.

INVESTMENT PRODUCTS WHICH OAKMONT OR A RELATED PERSON HAS A FINANCIAL INTEREST

Oakmont established several investment partnerships. Item 6 outlines those specific entities. Oakmont may advise certain clients to purchase limited partnership interests when the investments are suitable and appropriate. The intent is to give our clients access to institutional products or private placements (investments in private companies of all stages in debt, equity or combination thereof) they otherwise would not be able to access.

PURCHASE OR SALE OF SECURITIES ALSO RECOMMENDED TO CLIENTS

Oakmont or individuals associated with Oakmont may buy or sell securities identical to those recommended to clients for their personal accounts. It is the expressed policy of Oakmont that the firm and any person employed by Oakmont may purchase or sell any security prior to, concurrently with, or after a transaction being implemented for an advisory account.

Oakmont or any related person(s) may have an interest or position in a certain security which may also be recommended to a client. As these situations may represent a conflict of interest, Oakmont has established the following restrictions in order to ensure its fiduciary responsibilities:

1. An employee of Oakmont shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of their employment unless the information is also available to the investing public on reasonable inquiry. No person of Oakmont shall prefer his or her own interest to that of the advisory client.
2. Oakmont emphasizes the unrestricted right of the client to decline to implement any advice rendered.
3. Oakmont requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual deemed not in compliance of the above may be subject to termination.

Item 12: Brokerage Practices

Oakmont participates in the institutional service program offered by the Fidelity Registered Investment Advisor Group, an NASD registered broker/dealer; and TD Ameritrade. Oakmont evaluated similar programs offered in the industry and found both offerings to be beneficial to our clients by Oakmont having access to technology, research and trading capability delivered by these firms that will benefit Oakmont's oversight and management of client accounts. Oakmont also believes these firms provide services at reasonable costs considering the securities utilized by Oakmont in client's portfolios.

From time to time, Fidelity and TD Ameritrade may introduce prospective clients who wish to engage Oakmont, advisers who wish to join Oakmont, and other investment management firms that wish to merge with or be acquired by Oakmont. While Oakmont may pay a fee to a third party if these prospects join or become part of Oakmont, Fidelity or TD Ameritrade may share in those costs. This aspect creates a potential for a conflict of interest between Oakmont and its existing clients in regard to using these firms as custodians.

Item 13: Review of Accounts

INVESTMENT

Client accounts are reviewed by Portfolio Managers or Advisors authorized to perform the investment function. Each reviewer handles a number of clients and the number varies from time to time. The number of reviewers may be increased as client demand increases. The review process contains each of the following elements:

- Compare the portfolio to your goals and objectives;
- Evaluate the strategy, in light of any change in circumstances;
- Monitor the performance of the portfolio;
- Address the need to rebalance as necessary;

Account reviews may be triggered by any one or more of the following events:

- Specific client request
- Change in goals and objectives
- World, economic or market events
- Imbalance of portfolio asset allocation
- Annual review held between the client and the advisor and/or portfolio manager

Account reviews will be completed at the specific request of the client, or annually at a minimum.

FINANCIAL

Financial plans may not be reviewed, due to the nature of the service, after the plan is delivered. Exceptions to this apply, if an annual update is purchased or if the client requests periodic reviews of the plan.

LIFE PLANNING

Due to the nature of the Life Planning Services, reviews are not applicable.

REPORTING

Correspondence with clients both from the custodian and Oakmont are outlined further under Item 15.

Item 14: Client Referrals and Other Compensation

Oakmont may from time to time compensate, either directly or indirectly, a third person for client referrals. Such referral arrangements are generally governed by a written agreement between Oakmont and the particular third party that (1) complies with the SEC's "cash solicitation" rule (Rule 206(4)-3); (2) requires that clients be provided with copies of Oakmont's ADV Brochure (or a substitute Disclosure Brochure incorporating substantially the same information), separate disclosure of the nature of the referral arrangement (including compensation features) applicable to the client being referred, and any other document required to be provided under applicable state law; and (3) provides that the third party will not be paid compensation for any client referral unless it is registered as an investment adviser or investment adviser agent to the extent required under federal law and the law of the state in which the referred client resides. The clients do not pay any additional fees as a result of these relationships.

An example of this type of relationship is if an attorney refers a client to Oakmont, the attorney is required to disclose to the client that he is being paid by Oakmont, Oakmont discloses to the client that the attorney is getting paid by Oakmont, and Oakmont will pay the attorney directly for the referral. The client will incur no expense. The attorney, under this scenario does not provide any investment or financial planning advice to the client. Rather, Oakmont is exclusively responsible for those services.

Furthermore, no one besides those individuals who are investment advisory representatives of Oakmont provide advice to Oakmont clients in exchange for a fee.

Item 15: Custody

Oakmont does not take custody over any of the client's assets. Clients receive statements from their custodian either monthly or quarterly depending upon the custodians policies. For National Financial Services and TD Ameritrade, statements are sent monthly.

On a quarterly basis, Oakmont produces performance reports using its portfolio management system. This report is typically an account or portfolio appraisal and may identify some or all of the following information: current positions, current market value, capital contributions and withdrawals from the portfolio. The report, which shows the portfolio rate of return, will be provided for the most recent quarter and show the return from inception of the account.

OAKMONT HIGHLY RECOMMENDS THAT EACH CLIENT COMPARE THE ACCOUNT STATEMENTS ISSUED BY THE CUSTODIAN WITH THE PERFORMANCE REPORT ISSUED BY OAKMONT.

Item 16: Investment Discretion

Oakmont accepts discretion over client's accounts. Regardless of where the client custodies his assets, within our engagement letter the client grants Oakmont limited power of attorney to place trades within a client's account. If the client custodies his/her assets at National Financial Services or TD Ameritrade, the authority is also provided for within the account application or Adviser Authorization Form. If the client chooses to custody the assets at another institution, a limited power of attorney form will have to be completed to empower Oakmont to trade within the account. In addition to the power to trade, when the client custodies with National Financial Services or TD Ameritrade, the client also authorizes Oakmont to withdraw the quarterly investment fee from the clients account. At the election of the client, the client can authorize Oakmont to move assets between like titled accounts held at the same custodian, have checks drawn off client accounts in the name of the owner of the account, or transfer funds between like and unlike titled accounts as long as the client has pre-established an electronic link between both accounts (called an electronic funds transfer).



Item 17: Voting Client Securities

Oakmont will and does accept the authority to vote client proxies. Oakmont has adopted policies and procedures reasonably designed to ensure that proxies are voted in the best interest of clients. Except under determination of conflicts of interest, Clients may not direct a vote on proxy. Oakmont's policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest. Clients may contact Oakmont for a copy of Oakmont's proxy voting policies and procedures and for information as to how proxies were voted with respect to their securities.

When a potential conflict of interest arises, Oakmont will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of Oakmont with the issuer of each security to determine if Oakmont or any of its employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, the compliance officer will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation. Oakmont will maintain a record of the voting resolution of any conflict of interest.

Item 18: Financial Information

Oakmont does not require or solicit prepayment of more than \$1,200 in fees per client, six (6) months or more in advance. Oakmont is not currently aware of any condition that is reasonably likely to impair Oakmont's ability to meet its contractual commitments to its clients.