

ITEM 1  
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

# One Oak Capital Management, L.L.C.

594 5<sup>th</sup> Avenue  
New York, NY 10036

April 2014

This brochure provides information about the qualifications and business practices of One Oak Capital Management, L.L.C. (“**Adviser**,” “**we**,” “**us**,” or “**our**”). If you have any questions about the contents of this brochure, please contact us at 212-702-7142 or [sditursi@oneoakcapitalmgmt.com](mailto:sditursi@oneoakcapitalmgmt.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about us also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We are a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “**Investment Advisers Act**”). Our registration under the Investment Advisers Act does not imply any level of skill or training.

**ITEM 2**  
**MATERIAL CHANGES**

Our brochure may be requested, free of charge, by contacting our Chief Compliance Officer, Stephen Ditursi, at 212-702-7142 or [sditursi@oneoakcapitalmgmt.com](mailto:sditursi@oneoakcapitalmgmt.com).

- This is the initial brochure filing for One Oak Capital Management, LLC and as such there are no material changes to report

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**ITEM 4**  
**ADVISORY BUSINESS**

**A. General Description of Advisory Firm**

We are a New York limited liability company, established in January 2013 that provides investment advisory services on a discretionary basis to clients, through commingled investment vehicles intended for institutional and other sophisticated investors. Investment advisory services are offered for a percentage of assets under management as well as other compensation structures, as described in more detail below.

We serve as the sub-advisor to the (a) Dynamic Market Neutral Fund, LP, a Delaware state limited partnership, and (b) the Dynamic Total Return Fund, a registered investment company (“mutual fund”), collectively known as the “Dynamic Funds”.

We also serve as the general partner and investment manager of the Alpha Opportunities Fund, LP, a New York limited partnership.

The fixed income investment strategies have been designed, developed and managed by Stephen Ditursi and Joseph Scellato, the managing principals of One Oak Capital Management LLC.

**B. Description of Advisory Services**

As an investment adviser, we are responsible for sourcing potential investments, conducting research and due diligence on potential investments, analyzing investment opportunities, structuring investments, and monitoring investments on behalf of our managed funds and accounts. We generate all of our advisory billings from investment advisory services. We provide investment advice to our clients regarding fixed income securities.

One Oak specializes in investment grade bond portfolio management. The PM’s, in their various positions, were responsible for managing the proprietary corporate bond positions and the associated risks at their respective firms.

The fixed income portfolio is fully hedged to a near neutral duration, as long positions are offset against short positions in similar duration and issuer. The portfolios are constructed of high quality securities, comprising investment grade corporate bonds (60-80%) and US Treasuries (20-40%). Liquidity is a primary consideration in our portfolio construction, as we look to invest in liquid names of US investment grade corporate bonds. We will examine bond characteristics for transitory deviations in price movements and look to capture the persistent mean reversion trade-level transaction. This also includes analyzing related variables such as age, bid ask spread, issuance and trade-size. We may also employ bond swap strategies.

We have extensive contacts in the regional dealer community that help One Oak seek to exploit opportunities in securities pricings that surface among participants in this marketplace while at the same time mitigating the portfolio's overall interest rate exposure.

**C. Availability of Customized Services for Individual Clients**

We tailor our advisory services to the individual needs of each of our Funds and/or clients.

**D. Wrap Fee Programs**

We do not participate in a wrap fee program.

**E. Assets Under Management**

As of April 15, 2014, we had \$69 million in regulatory assets under management on a discretionary basis and no client assets under management on a non-discretionary basis.

**ITEM 5  
FEES AND COMPENSATION**

**A. Advisory and Other Services and Fees**

Written investment advisory agreements govern the terms of our compensation and the manner in which we charge fees to each of our clients. The fees we charge for our discretionary advisory services may be negotiable depending on the circumstances of the client's account and the service levels we provide to the client. Our basic fee schedule is as follows:

- With respect to its sub-advisory relationship to the Dynamic Market Neutral Fund, the Adviser receives an incentive fee equal to 30% of the net income (including realized and unrealized gains and losses) attributable to the sub-account managed by One Oak for such fiscal year, paid quarterly.
- With respect to its sub-advisory relationship to the Dynamic Total Return Fund, the Adviser receives compensation equal to a management fee at an annualized rate of .40% of the net asset value of the Dynamic Market Neutral Fund.
- With respect to the Alpha Opportunities Fund, LP, the Adviser generally receives a management fee at an annualized rate of 1.5% of the net asset value of the limited partners, paid monthly in advance. We may also receive an incentive or performance fee equal to 20% of the net income (including realized and unrealized gains and losses) attributable to each Limited Partner's capital account for such fiscal year, paid quarterly.

Client portfolios are typically billed in advance, before services are performed. This method is described in more detail in the written investment advisory agreement. Fees are negotiable.

**B. Additional Expenses and Fees**

Our fees are exclusive of brokerage commissions, custody fees, fund expenses, transaction fees, and other related costs and expenses, which may be incurred by our clients. Clients may incur certain charges imposed by custodians, brokers, and other third parties, including fees charged by managers, 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. These charges, fees, and commissions are exclusive of and in addition to our management fees. We shall not receive any portion of these commissions, fees, and costs and shall not receive a brokerage commission or other compensation attributable to the sale of a security or other investment product.

**C. Prepayment of Fees**

In cases when the advisory agreement does not span the full billing period, fees are prorated from the date of inception. Fees are not rebated if an account is terminated prior to the end of the billing period. The Advisor or Client may terminate the investment advisory agreement at any time with written notice to the advisor.

**D. Additional Compensation and Conflicts of Interest**

We do not receive a brokerage commission or any other compensation attributable to the sale of securities or investment products and our personnel do not receive such compensation.

**ITEM 6**  
**PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

In some cases, we will enter into performance or incentive fee arrangements with eligible clients. The terms and conditions of such fees will be subject to individualized negotiations with each client. We will structure any performance or incentive fee arrangement in accordance with Section 205(a)(1) of the Investment Advisers Act and the rules and regulations promulgated thereunder, including the exemption set forth in Rule 205-3 permitting performance fee arrangements with “qualified clients.” Other than management and performance fees, we do not charge any clients another type of fee, such as an hourly or flat fee. For a more detailed discussion of our performance or incentive fees, please see Item 5, “Fees and Compensation,” above.

Performance based fee arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those that we may recommended under a different fee arrangement. In the allocation of investment opportunities, performance based fee arrangements may also create (i) an incentive for us to favor accounts with performance or incentive fee arrangements over accounts that are not charged, or from which we will not receive, a performance fee; and (ii) an incentive for us to favor accounts from which we will receive a greater performance fee over accounts from which we will receive a lesser performance fee. We have adopted Order Aggregation and Allocation Procedures (the “**Allocation Procedures**”) designed to ensure that all of our clients are treated fairly and equally and to prevent this form of conflict from influencing the allocation of investment opportunities among our clients. We will offer clients the right to participate in all investment opportunities that we determine are appropriate for the client in view of relative amounts of capital available for new investments, the investment programs, and the portfolios of our clients. In

accordance with our Allocation Procedures, we will endeavor to treat each of our clients in a fair and equitable manner.

In addition, certain of our clients may provide investment guidelines that prohibit us from making highly speculative investments or using leverage. These prohibitions limit the concern that we may recommend certain investments in order to enhance our performance fees.

## **ITEM 7 TYPES OF CLIENTS**

We provide, or may provide, investment advisory services to clients that include registered investment companies and private funds.

The minimum account size necessary to invest in our portfolio will vary by the type of Investor. For instance, Investors in the Alpha Opportunities Fund must make a minimum initial investment of at least \$1 million and any additional investments must be in increments of \$100,000. From time to time initial investments less than \$1 million and additional investments less than \$100,000 may be accepted, and these thresholds may be increased or decreased. The General Partner has the discretion to negotiate a lower the minimum investment size.

## **ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis and Investment Strategies**

Security analysis methods may include economic, fundamental, technical and cyclical analysis.

The main sources of information may include the research provided via Bloomberg and any other research department they may offer access to, research materials prepared by others, corporate rating services, annual reports, prospectuses, press releases, filings with the SEC, financial newspapers and magazines, and the Internet.

### **B. Risk of Loss**

Investing in securities involves risk of loss that our clients (and underlying investors) should be prepared to bear. There can be no assurance that the Funds will achieve its investment objective. Assessment of the prospects of investments may not prove accurate. No assurance can be given that any investment or trading strategy implemented by the Advisor on behalf of the Funds will be successful and, because of the speculative nature of the Fund's investment and trading strategy, investors may suffer a significant loss of their invested capital, including loss of the entire investment

In addition, we believe that clients and their underlying investors should be aware of the risk factors delineated below. These risk factors are not a complete explanation of all the risks to clients and underlying investors from investing with us. Clients should read this brochure, any investment advisory agreement, any organizational or offering documents, and the documents and materials referred to in this brochure before determining to invest with us.

## **Risk Factors**

*Note: All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Although One Oak advises assets in a manner consistent with risk tolerances, there can be no guarantee that our efforts will be successful. The investor should be prepared to bear the risk of loss.*

## **Market Risks**

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Adviser's Investment Activities. The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments



involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

### **Investment Risks**

One Oak invests substantially all of their available capital (other than capital the General Partner retains in cash or cash equivalents) principally in fixed income securities. Markets for such instruments fluctuate and the market value of any particular investment may vary substantially. The Fund's portfolio may not generate any income or appreciate in value.

Portfolio Turnover. The portfolios may require active trading of the portfolio, and as a result, turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.

Lack of Diversification. The portfolios may not be widely diversified among sectors, industries, geographic areas or types of securities. Further, portfolios may not necessarily be diversified among a wide range of issuers. Accordingly, the portfolios may be subject to more rapid change in value than would be the case if the Investment Vehicles were required to maintain a wide diversification among companies or industry groups.

Short-Sales. One Oak may sell securities short. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Derivative Instruments. One Oak may invest, from time to time, derivative instruments, including, fixed income swap agreements. The values swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.

Leverage. One Oak will use leverage by engaging in short sales, entering into swaps and other derivatives contracts and other leveraging strategies. Such leverage increases the risk of loss and

volatility. In addition, the use of leverage requires the pledging of assets as collateral. Margin calls or changes in margin requirements can cause the portfolios to be required to pledge additional collateral or liquidate the portfolio's holdings, which could require the portfolio to sell securities at substantial losses that would not otherwise be realized.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

Lack of Liquidity. One Oak may invest in thinly traded and relatively illiquid securities or those securities may not be traded at the time the portfolios invest or may cease to be traded after the portfolios invests. One Oak also may acquire significant positions in some securities. In such cases and in the event of extreme market activity, One Oak may not be able to liquidate its investments promptly if necessary. In addition, One Oak's sales of thinly traded securities could depress the market value of those securities and thereby reduce the profitability or increase its losses. Such circumstances or events could affect the portfolio's gain or loss materially and adversely.

Limited Operating History. Although One Oak has significant investment management experience, One Oak is recently-formed entities and have limited operating history upon which investors can evaluate their likely performance. Accordingly, an investment in the One Oak Funds entails a significant degree of risk.

Risk of Default or Bankruptcy of Third Parties. One Oak may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Adviser could suffer losses if a counterparty to a transaction were to default or if the

market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid.

## **Regulatory Risks**

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

Conflicts of Interest: In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

Supervision of Trading Operations. The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Reliance on Management and Key Personnel. Investors have no right or power to take part in the management of One Oak. Accordingly, no investor should invest with One Oak unless such investor is willing to entrust all aspects of management to One Oak. The investment performance of the One Oak portfolios depends largely on the skill of key personnel of One Oak, including, in particular, its sub advisors. If key personnel were to leave One Oak, it might not be able to find equally desirable replacements and the performance of the One Oak Funds could, as a result, be adversely affected.

## **Security Specific Risks**

Liquidity. Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation. One Oak may invest in thinly traded and relatively illiquid securities or those securities may not be traded at the time One Oak invests or may cease to be traded after One Oak invests. One Oak also may acquire significant positions in some securities. In such cases and in the event of extreme market activity, One Oak may not be able to liquidate its

investments promptly if necessary. In addition, One Oak' sales of thinly traded securities could depress the market value of those securities and thereby reduce the portfolio's profitability or increase its losses. Such circumstances or events could affect the gain or loss materially and adversely.

Currency. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Lack of Registration. One Oak private funds or LP interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

Withdrawal of Capital. The ability to withdraw funds from the One Oak private funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy.

**C. Recommendation of a Particular Type of Security**

We recommend on a particular type of security, fixed income (subject to anything to the contrary in the relevant investment advisory agreement, offering document, or organizational documents of a particular client).

**ITEM 9  
DISCIPLINARY INFORMATION**

To the best of our knowledge, there are no legal or disciplinary events that are material to our clients' evaluation of our advisory business or the integrity of our management.

**ITEM 10  
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**A. Broker-Dealer Registration**

The Adviser and its management personnel (specifically Stephen DiTursi and Joseph Scellato) are registered representatives of Odd lot Bonds, Inc., a FINRA Broker/Dealer located in Aventura, Florida. The two principals listed above will be licensed as active registered representative within the Odd Lot Bonds, Inc. organization.

In order to comply with FINRA rule # 3270 requires that prior to participating in any business activity outside of the broker-dealer holding your licenses ("BD"), the One Oak management personnel have notified the BD in writing, disclosing all details of the proposed activity, and have obtained written consent from the BD prior to engaging in the proposed activity. The rule extends to all outside activity,

whether or not connected to the securities industry and includes having a securities interest in another business organization.

One Oak and Odd lot bonds, Inc. WILL NOT engage in any direct trading in corporate debt which is part of Oak One's investment strategies.

Odd Lot Bonds, Inc. will eventually become a distributor in One Oak investment fund strategies.

**B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor Registration**

The Adviser and its management personnel are not registered as futures commission merchants (“FCM”), commodity pool operators (“CPO”), and commodity trading advisors (“CTA”) with the Commodity Futures Trading Commission (“CFTC”) and do not have any application pending to register with the CFTC or the National Futures Association as a FCM, CPO, CTA, or an associated person of a FCM, CPO, or CTA.

**C. Material Relationships and Conflicts of Interests with Industry Participants**

Our relationships and arrangements with our clients are material to our advisory business, however at present One Oak only provides investment advice to both private and registered funds.

We may conduct business with institutions that invest, or whose clients invest with One Oak. In addition, we, our affiliates, and the partners, members, managers, directors, and principals of those affiliates may have financial investments in other clients or interests in the performance of other clients. It is therefore possible that we will have conflicts of interest with one or any of the One Oak Funds. We will abide, at all times, by our contractual and fiduciary obligations to each of our clients and will endeavor to ensure that such conflicts are resolved fairly.

There may be a conflict of interest in the allocation of investment opportunities between each of the One Oak portfolios. As a general matter, we intend to allocate investment opportunities between all portfolios in a manner that is in the collective best interests of all the funds involved. We may, however, allocate an investment opportunity wholly or primarily to one or more fund and, therefore, other funds will be unable to participate in such investment opportunity or may participate only on a limited basis. We are generally not under any obligation to share any investment, idea, or strategy with any of our clients.

Any of our funds may be disadvantaged because of our activities on behalf of any of the other funds. For instance, the size of one or more of the fund’s position in an investment may be limited because of the legal restrictions on the size of combined positions that we may take on behalf of all of the accounts we manage. In addition, we may choose not to offer an investment opportunity to each or all of the funds because the market may not be able to absorb the sale of combined positions in illiquid investments. Further, there may be circumstances under which we will consider participation by one or more fund in investment opportunities in which we do not intend to invest, or intend to invest only on a limited basis, on behalf of one or more of the funds. We will evaluate a variety of factors that may be relevant in determining whether a particular situation or strategy is appropriate and feasible for one or

more of the funds at a particular time. These factors include the nature of the investment opportunity, taken in the context of the other current investments, the liquidity of the investment relative to the needs of the particular entity or client, legal, regulatory, or tax limitations on the particular client, and the transaction costs involved. Because these considerations may differ for each of the funds, investment activities of each of the funds, in the context of any particular investment opportunity, may differ considerably from time to time.

We may buy or sell a particular investment for only one of the funds or for neither of the funds. Likewise, we may buy or sell a particular investment for only one of the funds or for none of the funds. We may buy or sell different amounts of a particular investment, at different times, for some but not all of the funds, even if the investment could have been bought or sold for other funds at the same time. Likewise, we may buy a particular investment for one fund at the same time that we are selling the same investment on behalf of another fund, including funds managed by the same investment teams.

Our clients may receive less (or more) of a certain investment than they would otherwise receive if we did not have a conflict of interest among clients. In effecting transactions, it may not always be possible, or consistent with the investment objectives of our various clients, to take or liquidate the same investment positions at the same time or at the same prices. For example, we may or may not have a fund with new or additional investment capital purchase an equal percentage of a particular investment.

For a detailed discussion of the conflicts of interest that may arise because of fee structures and fee arrangements, please see Item 6, “Performance-Based Fees and Side-By-Side Management,” above.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

We do not recommend or select other investment advisers for our clients.

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

As a fundamental mandate, we demand the highest standards of ethical conduct and care from all of our employees and officers. Our employees must abide by this basic business standard and must not take inappropriate advantage of their position. Each employee is under a duty to exercise his or her authority and responsibility for our benefit and for the benefit of our clients and may not have outside interests that inappropriately conflict with our interests or those of our clients. Each employee must avoid circumstances or conduct that adversely affect or that appear to adversely affect us or our clients.

**A. Code of Ethics**

Pursuant to Rule 204A-1, promulgated under the Investment Advisers Act, we have adopted a Code of Ethics to establish applicable policies, guidelines, and procedures that promote ethical practices and conduct by all of our employees and officers and to prevent violations of the Investment Advisers Act and the Investment Company Act.



Our Code of Ethics requires all of our employees to adhere to the highest ethical standards when discharging their investment advisory duties to clients or conducting general business activity on our behalf in every possible capacity, such as investment management, administration, dealings with service providers, confidentiality of information, and financial matters of every kind. Accordingly, the Code of Ethics sets forth policies that are designed to reasonably assure that the high ethical standards that we maintain continue to be applied, deter misconduct by employees, and protect clients and investors in the Client Accounts that we manage. The Code of Ethics prohibits certain activities and personal financial interests and requires disclosure of certain personal investments and related business activities of employees. In addition, the Code of Ethics requires all employees to have an obligation and a responsibility to conduct business in a manner that maintains the trust and respect of fellow employees, our clients, their investors, our business counterparties, and the general public.

We will provide a copy of our Code of Ethics, free of charge, to any client or investor and prospective client or prospective investor upon request. Our Code of Ethics may be requested by contacting our Chief Compliance Officer, Stephen DiTursi, at 212-702-7142 or [sditursi@oneoakcapitalmgmt.com](mailto:sditursi@oneoakcapitalmgmt.com).

**B. Recommending, Buying, or Selling Securities in which We or a Related Person Have a Material Financial Interest, Invest, or Buy or Sell at the Same Time; Conflict of Interests**

In appropriate circumstances, we may cause client accounts over which we have investment authority to effect the purchase or sale of securities, or related securities such as warrants, options, or futures, in which our advisory personnel, our other clients, or we, directly or indirectly, have a position of interest. We may also recommend that our clients or prospective clients purchase or sell such securities. Nevertheless, we anticipate that we will rarely invest client assets in the same or related securities in which we, or our related persons, are invested. There may be circumstances in which we may recommend to clients, or buy or sell for One Oak funds, securities in which our related persons, our other clients, or we, have a position of interest. Such purchases and sales may occur at or about the same time that we buy or sell the same security for our own account or our related persons buy or sell the same security for their own accounts.

Conflicts of interest may occur when we, or our related persons, invest in the same securities that we recommend to our clients and when we, or our related persons, trade in the same security at or about the same time. As discussed above, we expect these situations to occur infrequently, if ever. For example, theoretically we may seek to sell the securities we hold, while simultaneously recommending that our clients maintain their position in the security. A sale by our related persons or us, may affect the liquidity of the securities that our clients continue to hold.

**Personal Trading**

Under our personal trading policies, our employees, such as our portfolio managers, who have access to nonpublic information regarding any client's purchases or sales of securities, are involved in making securities recommendations to clients, or have access to such recommendations that are not public, are permitted to acquire and sell securities so long as the employee obtains a written preclearance from the Chief Compliance Officer. Once pre-clearance is obtained it shall be valid only for the day on which it was granted and for 1 business day thereafter. The Compliance Officer may deny or revoke preclearance for any reason. In no event will preclearance be granted for any security if, to the knowledge of the Compliance Officer, the Firm has a buy or sell order pending for that same security

or a closely related security (such as an option relating to that security, or a related convertible or exchangeable security). In addition, our employees must submit an initial and an annual holdings report to our Chief Compliance Officer disclosing the securities in which the employee or a member of the employee's family or household have beneficial ownership. The employee must also list the brokers, dealers, and banks where the employee or a member of the employee's family or household maintain an account. Further, every employee must submit a quarterly transaction report to our Chief Compliance Officer disclosing all transactions in securities in which the employee or a member of the employee's family or household had beneficial ownership.

Our management believes restricting our employees' personal trading is one way of avoiding conflicts of interest between our clients and our employees. Our personal trading policies are part of our Code of Ethics.

We may, and our employees and affiliates may, give advice and take action for some clients that may differ from advice given, or the timing or nature of actions taken, for other clients or for their proprietary or personal accounts.

## **ITEM 12**

### **BROKERAGE PRACTICES**

#### **A. Selection of Broker-Dealers and Reasonableness of Compensation**

Subject to the policies that may be established by any of our clients, we will be primarily responsible for selecting brokers and dealers to execute transactions with respect to the publicly-traded securities in our clients' portfolios and for allocating brokerage commissions. We do not expect to execute transactions through any particular broker-dealer, but rather will seek to obtain the best net results for our clients under the circumstances. We will take into account factors such as (i) price (including the applicable brokerage commission or dealer spread); (ii) execution capabilities of the broker-dealers (including accurate and timely execution, clearance, and error/dispute resolution); (iii) research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice, and market analysis); (iv) other services (including reporting and technology) provided by such broker-dealers, which are expected to enhance our general portfolio management capabilities; (v) size of the transaction; (vi) difficulty of execution; (vii) operational facilities of the broker-dealers involved; (viii) risk in positioning a block of securities; (ix) reputation; (x) financial strength and stability; and (xi) quality of the overall brokerage and research services provided by the broker-dealers. We generally seek to have our clients pay the lowest commission rate available to obtain the quality of execution that we deem necessary for the applicable transaction. As noted above, however, we consider other factors besides commission rates when selecting broker-dealers. For example, at times we may receive research reports from brokers and our portfolio managers may consult with brokers' analysts. Accordingly, we may not always obtain the lowest commission rates available.

#### **1. Research and Other Soft Dollar Arrangements**

Subject to applicable legal requirements and consistent with Section 28(e) of the Securities and Exchange Act of 1934, as amended, and as permitted by a particular client's investment advisory agreement, offering document, or organizational documents, we may select a broker



based upon brokerage or research products or services provided to us. Such products and services may include, but are not limited to, economic forecasts, investment strategy advice, written reports, fundamental advice on individual securities, valuation advice, and market analysis. Such products and services include both proprietary research created or developed by the broker-dealer and research created or developed by a third party. Research services received from broker-dealers are supplemental to our own research efforts, and, when utilized, are subject to internal analysis before being incorporated into our investment process. In return for these “soft-dollars” and other benefits and services, our clients may pay a higher commission (or markup/markdown) than other brokers would charge. We may nevertheless choose to engage a broker-dealer charging a higher commission – a practice referred to as “paying-up” – if we determine in good faith that such commission is reasonable in relation to the services provided. While we have not entered into any written soft dollar arrangements, we do receive research services from brokers that may be deemed to be “soft dollars.”

When we use client brokerage commissions (or markups/markdowns) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products, or services. The receipt of research and other “soft-dollar” benefits from broker-dealers provides an incentive for us to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients’ interest in receiving the most favorable execution. We only use “soft-dollars” to service the account of the client that paid for those benefits; in the event a client does not approve the use of “soft-dollars,” or a particular type of “soft-dollar,” we will not use “soft-dollars” to service that client’s account(s). Similarly, we seek to allocate “soft-dollars” to client accounts proportionately to the “soft-dollar” credits generated by each account.

In the last fiscal year, we have not directed client transactions to a particular broker-dealer in return for “soft-dollar” and other benefits. However, although we do not have any formal soft dollar agreement with any broker-dealer, we have acquired research services from a broker-dealer using client brokerage commissions.

## **2. Brokerage for Client Referrals**

In selecting or recommending broker-dealers, we do not consider whether we, or any of our affiliates, receive client or investor referrals from a broker-dealer or other third party.

## **3. Directed Brokerage**

We do not recommend, request, or require that our clients direct us to execute transactions through a specified broker-dealer. Each client’s investment advisory agreement generally grants us the full authority to determine, without obtaining the client’s consent or consulting with the client on a transaction-by-transaction basis, the broker-dealers through whom all transactions will be executed. By directing transactions to certain broker-dealers, we may be unable to achieve the most favorable execution of client transactions and this practice may cost our clients more money. As a result, clients who have elected to direct brokerage may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices than would otherwise be the case. In a directed brokerage account, we may not be able to aggregate orders to reduce transaction costs and our clients may receive less favorable prices.

**B. Aggregating Orders for Various Client Accounts**

We aggregate the purchase and sale of securities for various funds to ensure that our funds are afforded fair and equitable treatment when aggregating and allocating trade orders. In executing brokerage transactions, we generally seek to aggregate trade orders for the same security into a single trade order, when we believe that doing so will improve trade execution. We will allocate each fund that participates in an aggregated order its portion of the trade, on an average price basis, when the trade is completed. Aggregated trading may improve trade execution by, for example, enabling volume discounts on brokerage commissions or costs.

As a general principle, we will only aggregate transactions when we believe that such an aggregation is lawful and consistent with our duty to seek best execution for our clients and with the pertinent disclosure we have previously made to our clients or any arrangement we may have with our clients. In such cases, individual investment advice and treatment will be accorded to each client and we will not receive any additional compensation or remuneration of any kind because of the proposed aggregation. The securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the cash nor securities will be collectively held any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis. Cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as a practicable following the settlement.

**ITEM 13  
REVIEW OF ACCOUNTS**

**A. Periodic Review of Client Accounts**

We review each of our funds on a daily basis to ensure conformity with each fund's investment style and appropriate asset allocation, and to monitor changes to performance of individual securities. Reviews also include the monitoring of cash and cash equivalent positions and position limits within each fund's account.

**B. Additional Review of Client Accounts**

In addition to daily oversight, we also review our funds on a quarterly basis via our Investment Committee.

**C. Contents and Frequency of Account Reports to Clients**

Each underlying investor of the Alpha Opportunities Fund receives a monthly written report summarizing the current value of the account, as of the end of the month, including month-to-date and year-to-date performance information. In addition, taxable investors in the Alpha Opportunities Fund shall generally receive Schedule K-1s by March 31 of each year. All investors shall receive audited financial statements of the Alpha Opportunities Fund in which they are invested (prepared in accordance with generally accepted accounting practices) within 120 days of the fiscal year-end. If we

distribute different or more frequent performance information to an underlying investor in the Alpha Opportunities Fund, we will make such information available to all investors in the Fund, as applicable.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

**A. Economic Benefits for Providing Services to Clients**

We do not receive an economic benefit from anyone other than our clients for providing investment advice or other advisory services to our clients.

**B. Compensation to Non-Supervised Persons for Client Referrals**

The Adviser does not currently compensate any person who is not our supervised person for client referrals.

**ITEM 15**  
**CUSTODY**

Rule 206(4)-2 promulgated under the Investment Advisers Act (the “**Custody Rule**”) imposes specific conditions on investment advisers who have actual or deemed custody of client assets. As an investment adviser to advisory clients, including investment accounts and pooled investment vehicles, we may be deemed to have custody in instances where we have actual possession or the authority to obtain possession of the assets of our advisory clients, and therefore we must meet the applicable conditions of the Custody Rule.

The Custody Rule contains significant provisions applicable to investment advisers that serve as a general partner or managing member to private funds formed as limited partnerships or limited liability companies, such as the Alpha Opportunities Fund. Most significantly, the Custody Rule provides an alternative approach to the quarterly account statement delivery requirement and the annual surprise examination requirement. Specifically, an investment adviser to a private fund need not send to each investor a quarterly account statement or have an annual surprise examination if the fund is (i) subject to an audit (as defined in section 2(d) of Article 1 of Regulation S-X) by an accountant registered with the Public Company Accounting Oversight Board at least annually and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all investors within 120 days of the end of the fund’s fiscal year. We typically rely upon this exception.

**ITEM 16**  
**INVESTMENT DISCRETION**

At the outset of an advisory relationship, we may receive discretionary authority from a client to select the identity and amount of securities to be purchased and sold by the client. For example, we will have investment discretion to manage securities accounts on behalf of the One Oak portfolios. In all cases, we exercise this investment discretion in a manner consistent with the stated investment objectives of the particular fund.

When selecting securities and determining amounts of investments, we observe the investment policies, limitations, and restrictions of the clients we advise, as stated in the applicable investment advisory agreement or other applicable agreements. Our funds may, and customarily do, place limitations on our investment authority, including, without limitation, designating types of permitted investments or the percentage of permitted investments, or prohibiting certain types of investments.

For a complete discussion of our advisory business and the services we provide to our clients, please see Item 4, “Advisory Business,” above.

## **ITEM 17 VOTING CLIENT SECURITIES**

As a matter of firm policy and practice, we do not accept authority to vote proxies on your behalf. Generally, you will receive their proxies or other solicitations directly from the custodian or transfer agent. However, you may call or e-mail us with questions regarding a particular proxy or other solicitation, and we may provide advice to you regarding your voting of proxies or such solicitations, upon your request. Nearly all clients authorize us to receive duplicate copies of proxies and other correspondence from investment sponsors.

You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios.

You should note that we will not advise nor act on your behalf in legal proceedings involving companies whose securities are held or previously were held in the your account(s), including, but not limited to, the filing of “Proofs of Claim” in class action settlements. If desired, you may direct us to transmit copies of class action notices to you or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

## **ITEM 18 FINANCIAL INFORMATION**

### **A. Balance Sheet**

We are not required to attach a balance sheet because we do not require or solicit the payment of fees six months or more in advance.

### **B. Contractual Commitments to Our Clients**

We have no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to our clients.

### **C. Bankruptcy Petitions**

We have never been the subject of a bankruptcy petition.

**ITEM 19**  
**INFORMATION SECURITY PROGRAM & BUSINESS CONTINUITY**

**Information Security**

The Advisor maintains an information security program to reduce the risk that your personal and confidential information may be breached.

**Business Continuity Plan**

The Advisor has a business continuity plan in place that provides steps to mitigate and recover from the disruption and loss of office space, communications, services or key people.

**1. Disasters**

The business continuity plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, internet outage, railway accident and aircraft accident. Electronic files are backed up regularly and archived offsite.

**2. Alternate Offices**

Alternate locations are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all Investor/Owners within fifteen days of a disaster that dictates moving our office to an alternate location.

**3. Summary of Business Continuity Plan**

A summary of the business continuity plan is available upon request to One Oak Capital Management; Attention: Stephen DiTursi, Chief Compliance Officer.