

## Item 1: Cover Page

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### **Form ADV Part 2A Investment Adviser Brochure**

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Date of this brochure: June 2017

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 F. 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). You can search this site by a unique identifying number, known as a CRD number. The Firm's CRD number is 141137.

Registration with the SEC does not imply a certain level of skill or training.

## Item 2: Summary of Material Changes

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In this Item of Oakmont Partners, LLC's (Oakmont or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment, dated March 8, 2016.

### **Material Changes since the Last Update**

Since the last Annual Amendment filing, the Firm has the following material changes to report:

- John DeSimone has been appointed Chief Compliance Officer.
- The Firm has opened an additional office location in NH.
- We have update or fee schedule, for more information see Item 5: Fees and Compensation.
- As of March 27th, 2017 we moved our main office to 1R Newbury Street, Suite 307 Peabody, MA 01960

### **Full Brochure Available**

Oakmont Partners, LLC's Form ADV may be requested at any time, without charge by contacting John F. DeSimone, Managing Partner and Chief Compliance Officer at 617.227.3170.

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## Item 4: Advisory Business

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Oakmont Partners, LLC ("Oakmont") is a Massachusetts limited liability company that was organized in April 2006 and registered with the Securities Exchange Commission ("SEC") in July 2006. Oakmont is owned and operated by three individuals: Peter Mawn, John DeSimone, and Myranda O'Bara. Biographical and ownership information for each owner is provided in Form ADV Part 2B.

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

### Investment

Oakmont may provide 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 an 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. 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 provides 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, 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 allocating 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 develop portfolios. From time to time, Oakmont will recommend specific 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.

Many clients join Oakmont with existing positions in ETFs, stocks, bonds, mutual funds and other holdings. Over time, Oakmont intends to shift the portfolio over into ETFs and mutual funds. Depending upon the tax ramifications, quality of the holdings, and market conditions, this transition can take up to several years to fully transition.

### **Other Investment Services**

Oakmont manages investments for clients (Underlying Clients) of insurance funds (Institutions) on a non-discretionary basis using third-party independent investment advisors (Independent Managers). Oakmont will not have a direct relationship or agreement with the Underlying Client, and will not be provided with non-public identifying information about the Underlying Client

Oakmont's decisions with respect to the investment options and Independent Managers will be based, in part, on Oakmont's evaluation of the investment styles, strategies, risks, and potential benefits of each investment option and each Independent Manager.

Based on the individual needs and circumstances of the Underlying Client, as provided by the Institution, Oakmont will determine the allocation of the account among the various investment models and among Independent Managers. Oakmont will decrease or increase the portion of the Underlying Client's account allocated to each investment model offered by the Independent Manager.

On a continuous basis, Oakmont will monitor the performance of the Underlying Client's account, and allocate and/or reallocate the account among various investment options, as necessary.

The Institution retains the authority to hire and fire the Independent Managers.

Certain Independent Managers may pursue an investment strategy that utilizes underlying mutual funds or exchange trade funds advised by the Independent Manager or its affiliates. The Independent Manager may receive fees from this proprietary fund for serving as the investment advisor in addition to the management fees the Independent Managers receives. The conflict of interest created by such arrangement should be discussed by the Underlying Client with the Institution.

Oakmont serves as a Manager of Managers due to its ongoing due diligence and review of the Independent.

Oakmont then provides an overlay management service for the Independent Manager's portfolios selected for an Underlying Client's account.

To the recommended asset allocation and by executing any buy and sell recommendations for the Model Portfolio as directed by the Independent Manager's instructions.

An Independent Manager may wish to develop a proprietary Model Portfolio for use with Clients. In this situation, the Independent Manager will be required to execute a Model Portfolio Agreement with Oakmont and will be subject to the same due diligence as any other third-party Independent Manager. In addition, if the Independent Manager is accepted as an Independent Manager, the Independent Manager will not be permitted to collect both an advisory fee and an Independent Manager fee for those Client's he puts in his proprietary model portfolios.

Oakmont will monitor a client's asset allocation, as well as the portfolio's money managers/mutual funds through detailed analysis and our proprietary manager ranking system, on an ongoing basis. Oakmont continually evaluate the economy, financial markets, and correlation of asset classes to make sure a client's asset allocations are appropriate, as well as rebalance the portfolio if necessary. Oakmont regularly interview managers and visit their operations to ensure that they remain the most appropriate vehicle for our client's investments. Strategic allocation decisions, rebalancing, and re-evaluating managers are all part of the ongoing monitoring process.

Oakmont serves as a Manager of Managers due to its ongoing due diligence and review of the Independent Managers. Independent Managers are

### **Manager Evaluation & Search**

Oakmont's Independent Manager selection process is structured to select managers expected to perform well in the future. The following qualitative criteria are used when evaluating managers:

- Alignment of manager's and client's interests
- Ownership structure
- Quality and depth of personnel
- Career path for professionals
- Consistency of investment process implementation
- Quality of internal and external research
- Investment discipline

Quantitative factors evaluated include:

- Consistency of returns during good and bad market environments
- Value added by manager relative to benchmarks
- Risk taken in relation to appropriate benchmarks
- Historical correlations to appropriate benchmarks
- Style analysis

### **Tailored Services**

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 or mutual fund which may have exposure to that stock.

### **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. By way of example, we help clients obtain mortgages, finance commercial property, sell businesses, sell real estate, and purchase automobiles.

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

### **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.

### **Tax Preparation**

Oakmont, on a limited basis, will prepare tax returns 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 described in Item 5.

### **Fiduciary Statement**

Oakmont and our employees are fiduciaries who must take into consideration the best interests of our clients. The Firm will act with competence, dignity, integrity, and in an ethical manner, when dealing with clients. Oakmont will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

As a fiduciary, Oakmont has the obligation to deal fairly with our clients. Oakmont has the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client's needs, financial circumstances and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.



**Wrap Fee Programs**

Oakmont does not participate in any Wrap fee programs.

**Client Assets**

As of May 31, 2017, Oakmont managed the following assets:

Discretionary: \$273,676,726

Nondiscretionary: \$0

**Total: \$273,676,726**

Our discretionary assets include 401(k) plans where Oakmont has chosen the investments and designed portfolios within the plan. Oakmont is authorized to change investments and portfolios at its discretion. However, the plan participants make the specific decision on the investments.

For one client with \$1,095,257,219 as of December 31, 2016 that does not meet the definition of Regulatory Assets under management, Oakmont receives compensation of a fixed fee to advise the client on their overall portfolio allocation and separate account managers, hired by the client. Under this engagement, the client is the sole authority and exclusively responsible for implementing all recommendations.

## Item 5: Fees and Compensation

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Oakmont's only source of income is from its clients. Oakmont does not receive any income from any other source and 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. In calculating fees, Oakmont may exclude legacy and/or illiquid investments. A client might pay under one pricing structure or another, 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 may charge up to 1.50% annually of the assets under management whether discretionary or non-discretionary. While this is an annualized fee, the fees are calculated and paid on a quarterly basis, either in advance or arrears. Typically, 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), we will automatically deduct this quarterly fee from the account on or about the 10th of the month following the end of the calendar quarter. Thus, the fee will be swept on or about April 10<sup>th</sup>, July 10<sup>th</sup>, October 10<sup>th</sup>, and January 10<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 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 31st is \$10,000 and the annual fee is 1% (0.25% per quarter) we will charge \$25.00 for the quarter encompassing April, May, and June on or about the 10th 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.

2. Fees 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 considers when determining fees depends on 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 (from running a retirement plan to performing a portfolio diagnoses) part of the fee will be paid at the signing of the engagement letter and remainder upon the completion of the engagement. For ongoing engagements, the fee will be paid quarterly at the beginning of each quarter. Under no circumstance will a fixed fee be charged when the client pays more than \$1,200 six (6) months or more in advance of services being offered.

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.

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 \$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 annually. 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 and is paid upon delivery of the return itself.

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 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**

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Oakmont does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

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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 have \$1 million in investable assets. However, under certain circumstances, and at Oakmont's 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

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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 ETFs and mutual funds. From time to time and when appropriate, Oakmont will purchase individual stocks and bonds. Item 4 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. Management risk can also arise if a manager were to leave a fund company that can materially impact the performance of that fund.
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 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.
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**

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

## **Item 10: Other Financial Industry Activities and Affiliations**

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None of Oakmont's owners, managers, or advisors have any affiliation with any Broker/Dealer, future commission merchant, commodity pool operator, commodity trading advisor or person of the forgoing entities.

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.

The principals and an advisor of Oakmont invest outside of Oakmont collective under two entities, namely:

### **Oakmont Ventures, LLC**

Oakmont Ventures, LLC is exclusively owned by Peter Mawn, Myranda O'Bara and John DeSimone. Oakmont Ventures has investments in private companies. Clients may not invest in Oakmont Ventures, LLC.

### **Oakmont Principals, LLC**

Oakmont Principals, LLC is held exclusively by Peter Mawn, Myranda O'Bara, John DeSimone and Craig Divino, an investment advisory representative of Oakmont. Oakmont Principals owns interest in an investment partnership and a private company. Clients may not invest in Oakmont Principals, LLC.

Oakmont does not typically select or recommend or other investment advisers to its clients.

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

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### **Code Of Ethics**

Oakmont has adopted a Code of Ethics (Code) which sets forth high ethical standards of business conduct that Oakmont requires of its employees, including compliance with applicable federal securities laws. It is reviewed and updated annually.

Oakmont's Code 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 is available to Oakmont's clients or prospective clients upon request.

### **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 employee by Oakmont may purchase or sell any security prior to, concurrently with, or after a transaction being implemented for an advisory account.

For the avoidance of any conflict of interest, Oakmont or any employees shall not recommend to a client any security in which Oakmont or an employee has a material interest, acts as general partner, or receives compensation for the sale of said security.

Oakmont or any employee 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 requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
3. Any individual deemed not in compliance of the above may be subject to termination.

## Item 12: Brokerage Practices

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### Research and Other Soft Dollar Benefits

Oakmont does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transaction, also known as soft-dollar benefits.

### Brokerage for Client Referrals

Oakmont does not receive client referrals from selecting or recommending a broker/dealer.

### Directed Brokerage

Clients may come to Oakmont with an existing brokerage relationship and direct us to execute their trades through that broker. Oakmont retains the right not to trade with a particular broker/dealer. Clients normally negotiate their commission rate directly with their broker. Oakmont will not seek better execution services or prices from other brokers or dealers and as a result, client could pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for client's account than would otherwise be the case. If a client does not have an existing relationship with a broker, Oakmont may suggest the use of and request the client to authorize discretion on an account established through a variety of brokerage firms.

Oakmont does not recommend, request, or require that a client direct Oakmont to execute a transaction through a specific broker-dealer.

Oakmont recommends clients use Fidelity Registered Investment Advisor Group ("Fidelity"), an FINRA registered broker/dealer.

### Other Economic Benefits

Oakmont participates in the institutional service program offered by Fidelity. Oakmont evaluated similar programs offered in the industry and found Fidelity to be beneficial to our clients by providing Oakmont access to technology, research and trading platform, each enhancing Oakmont's oversight and management of client accounts. Oakmont also believes Fidelity provides services at reasonable costs considering the securities utilized by Oakmont in client's portfolios.

### Trade Aggregation

Trade aggregation is the act of trading a large block of a security in a single order. Shares of a purchased security are then allocated to the appropriate accounts in the appropriate proportion. The main purposes of order aggregation are (i) for ease of trading and (ii) to obtain a lower transaction cost associated with trading a larger quantity. Oakmont does not aggregate or block trades. As a result, clients purchasing securities around the same time may receive a lower or higher price than other clients. As to transaction costs, trades enacted on the Fidelity

platform are charged transaction fees at the account level, therefore there would be no transaction cost benefit to block trading versus trading each account separately.

## Item 13: Review of Accounts

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### Investment

Client accounts are reviewed by Portfolio Managers (John DeSimone and Myranda O'Bara) and the Advisors (Donald Askey or Peter Mawn) primarily charged with the client relationship. The accounts are reviewed during the production of our quarterly reports. The quarterly review process focuses on:

- Comparing the portfolio to the clients' goals and objectives
- Evaluating the strategy, in light of any change in circumstances
- Monitoring the performance of the portfolio
- Addressing the need to rebalance as necessary

Account reviews may be triggered other than quarterly 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

### 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. John DeSimone, Donald Askey, Myranda O'Bara, and Peter Mawn review the financial plans.

### Life Planning

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

### Reporting

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: asset allocation, 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 as well as other periods, which may include, Year-To-Date, 1 year, 3 year, 5 year, and since inception. Each period will be reported by Oakmont at its complete and absolute discretion and periods reported may change from one reporting period to the next. Reports are delivered via mail or electronically depending on each client's preferences.

## Item 14: Client Referrals and Other Compensation

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No one provides any economic benefit to Oakmont for providing investment advice or services to a client of Oakmont.

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. 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 clients in exchange for a fee.

## **Item 15: Custody**

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### **Custody – Fee Debiting**

Clients may authorize Oakmont (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and Oakmont. The custodian is advised in writing of the limitation of Oakmont's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Oakmont.

### **Custody – Account Statements**

As described above and in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the reports that Oakmont provides. Oakmont's reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.



## Item 16: Investment Discretion

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Oakmont generally 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 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, the client also authorizes Oakmont to withdraw the quarterly investment fee from the client's 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 from 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.

## Item 17: Voting Client Securities

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Oakmont may 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. 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.

Clients may contact John F. DeSimone at (617) 227-3170 for information about Oakmont's Proxy policies and information about how Oakmont voted any proxies on behalf of their account(s).

## **Item 18: Financial Information**

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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.

Oakmont has not been the subject of a bankruptcy proceeding at any time.