



# SKYOAK CAPITAL, INC.

## Client Disclosure Brochure Form ADV, Part 2A

December 31, 2023

This Brochure provides information about the qualifications and business practices of SkyOak Capital, Inc. If you have any questions about the contents of this brochure, please contact SkyOak's Chief Compliance Officer, Beth Boyd, at 702-448-7474. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

SkyOak Capital, Inc. is an SEC-registered investment advisor. Registration of an Investment Advisor does not imply a skill or training.

Additional information about SkyOak Capital, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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REGISTERED INVESTMENT ADVISOR

## **Item 2           Material Changes**

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

- Item 4 – Update to reflect current Assets Under Management

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (800) 971-8070.

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## **Item 4      Advisory Business**

### **About the Firm**

SkyOak Capital, Inc., a Nevada Corporation (“SkyOak,” the “Firm,” or “Advisor”) is an investment advisor registered with the SEC. SkyOak offers Private Wealth Management, Asset Management, and Corporate Retirement Services.

The owner of the firm is Jennifer Davis. SkyOak is headquartered in Las Vegas, Nevada; has a branch office in Medford, Oregon; and a satellite location in San Francisco, California.

SkyOak was founded in 2010 and operated as a registered investment advisor until October 2018. At that time, SkyOak entered into a combination transaction with another registered investment advisor, resulting in the creation of a new investment advisor entity called SkyOak Wealth, LLC (“SOW”). The Firm’s SEC registration was withdrawn. Subsequently, in May 2020, SkyOak re-registered as an investment advisor registered with the SEC, which was completed on July 1, 2020.

As wealth management advisors, we provide a range of investment and planning solutions for individuals, families, corporations, private funds, retirement funds, endowments and foundations. Our services are described in greater detail below.

As of December 31, 2023, SkyOak has \$178,678,828.87 of assets under management.

### **Private Wealth Management**

Private Wealth Management is customized to each client based on their financial circumstances, current and future income needs, investment objectives and risk profiles. Private Wealth Management services offered by SkyOak include investment management services, financial planning, consulting, and/or family office services to our clients. At the onset of a new client relationship, a member (or members) of our team will meet with you to discuss your financial situation, review your investment holdings and gather pertinent information about your circumstances. Based upon a review of this data and after understanding your financial goals and needs, we will recommend an appropriate plan of action which might include the following services: Investment Management Services, Financial Planning, Consulting and/or Family Office Services. Our interactions with you will be ongoing and will include topics such as your current and changing income or spending needs, current and future lifestyle changes or expectations, your risk tolerance, your family situation, work-related expectations and other factors affecting your financial life situation.

### **Investment Management Services**

Our investment management services include investment and asset allocation strategy for your investment portfolio. We will provide discretionary investment models and strategies that are consistent with your stated investment objectives and risk tolerance. We will manage, monitor, rebalance and re-allocate your investments on an ongoing basis in accordance with your objectives. We will conduct

investment reviews with you to evaluate investment performance and to update your financial circumstances as necessary. These investment reviews will generally run on an annual basis, but the frequency can differ based on client preference.

Our investment management accounts are managed on a discretionary basis in accordance with their objectives. Specific securities that are bought and sold, as well as dollar values and diversification, are determined by us in each of the investment model portfolios that we manage. Each client will typically end up with their own customized mix of a blended portfolio.

#### Financial Planning & Consulting Services

Central to our client engagement process, SkyOak provides comprehensive financial planning services and/or project-based financial consultation services. While our planning services are typically integrated into a client's overall Private Wealth advisory service and included in our management fee, we also provide similar planning-based services for a flat fee or on an hourly fee basis.

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

The Firm's financial planning/financial consultation-only clients retain absolute discretion over all their own implementation decisions. These clients remain free to accept or reject any of the firm's recommendations. SkyOak might recommend its own investment management services or those of its professional staff or other professionals to implement recommendations. Financial planning and consultation clients are notified and advised that a potential conflict of interest does exist if the Firm recommends its own investment management services to implement financial plan recommendations. Moreover, if a client elects to act on any of the recommendations, the client is under no obligation to transact the recommendations through SkyOak as the investment advisor.

#### Alternatives - Private Pooled Investments

The Advisor offers and manages certain non-traditional alternative investment strategies such as hedge funds, private equity, real estate and other pooled investment vehicles.

The Advisor acts as an Investment Manager (IM) to LVSI LP, a Nevada Limited Partnership formed to invest in equity income arbitrage focused investment vehicles. The Advisor also provides investment advisory services with respect to other unaffiliated and affiliated non-custodial partnership/private fund investments, which are not managed by the Advisor or held at the Primary Custodian. The client shall be required to review and complete the applicable private placement and/or account opening documents to establish these investments. For non-affiliated partnership/private fund investments, the Advisor may debit its fee for providing investment advisory services with respect to these non-affiliated relationships directly from a brokerage account designated by the client held at the Primary Custodian. For certain non-custodial partnership/private fund investments, the Advisor will not receive quarter-end investment

valuations prior to its fee billing calculation. In such instances, the Advisor will use the most recent month-end or quarter-end valuation available for the calculation of investment advisory fees. The Advisor will recalculate its fee upon receipt of final valuations. Adjustments are reflected in the fee calculations for the next quarterly period.

#### Family Office Services

Private Wealth Client and other sophisticated clients often need additional services and oversight due to the complexity and generational planning for certain clients. Under the Family Office services, additional services are offered such as philanthropic management, estate and wealth transfer, life management and budgeting, specialized reporting of assets, risk management, asset protection and insurance services. Clients will generally be required to enter into a separate written agreement with SkyOak setting forth the terms and conditions of the engagement and describing the scope of the services to be provided.

#### Self-Directed IRA Services & Administration

SkyOak (sometimes the “Designated Representative”) offers Self-Directed IRA services to IRA account holders who need assistance and/or expertise in facilitating transactions, opening a new account, monitoring transactions and/or acting as a liaison between the custodian and account holder for routine services.

SkyOak, as the Designated Representative:

- Will act only as the designated liaison between Account Holder and the Custodian and will be limited to accessing account information only.
- Will not act as an investment advisor, trustee, sales agent, broker, accountant or attorney and will not have power of attorney or discretion over the assets of the Account.
- Cannot direct the payment of invoices or billings from the assets of the Account or direct payment of Account assets in any manner without the Account Holder’s written direction.
- Will not have the authority to make changes or to transact business on behalf of the Account Holder. The Designated Representative will not take possession of the Account Holder’s assets.

Self-Directed IRA services are governed by a separate agreement entered into by and between the IRA Account holder and SkyOak as the Designated Representative.

#### **Corporate Retirement Services**

SkyOak and several of its advisors specialize in designing, implementing and managing corporate retirement plans. Depending on your situation, a SkyOak advisor will consult with you, provide education and information to you and recommend what they believe will best serve the needs of your organization (i.e., finding the best plan(s) and platform for you and/or your company). SkyOak can be engaged as a 3(21) non-discretionary or 3(38) discretionary fiduciary advisor. SkyOak will often collaborate with other providers such as record-keepers and third-party administrators in order to provide all necessary elements of a more integrated solution and services to its corporate retirement clients.

#### ERISA Fiduciary Services offered by SkyOak:

- Development of an Investment Policy Statement (“IPS”). SkyOak will review plan objectives, risk tolerance and goals of the plan with the plan sponsor. SkyOak will help the plan sponsor establish an investment policy statement to state the investment policies and objectives of the plan. Plan sponsor will have the authority to adopt and implement the objectives and policies for the plan.
- Recommendations to Select Asset Classes. SkyOak will provide non-discretionary investment advice with regard to different asset classes and investment options available to help the plan fiduciary and/or plan administrators select asset classes and investment options consistent with the investment goals and objectives of the plan.
- Investment Strategy Review and Monitoring. SkyOak will conduct periodic due diligence and provide information, reports and recommendations to assist the plan fiduciary in monitoring and evaluating the performance of the investment options and asset allocations available in the plan. SkyOak will also provide information and recommendations to the plan fiduciary or plan administrators to remove or add investment options based on performance or other qualitative measures.

#### ERISA Non-Fiduciary Services offered by SkyOak:

In addition to the above-described fiduciary services, SkyOak offers the following non-fiduciary services solely in a capacity that is not considered a fiduciary under ERISA or any other applicable law:

- Plan Objectives and Design Options. SkyOak will assist the plan fiduciary in determining the plan objectives and structure of the plan. SkyOak will work with third party administrators for the plan.
- Investment Education. SkyOak will provide education for the plan fiduciary regarding asset classes and types of investment strategies available to the plan. Educational services will be general in nature and will not speak to the individual circumstances of plan participants. SkyOak does not provide fiduciary advice to plan participants.
- Plan Development and Service Providers. SkyOak will assist the plan fiduciary in evaluating plan service providers, including the selection and evaluation of a third-party administrator, if necessary.

#### **Other Information Related to our Advisory Services**

In performing its services, SkyOak relies upon the information received from its clients or from their professional legal and accounting advisors and is not able nor required to independently verify such information. Clients must promptly notify us of any material changes in their financial situation or shift in their investment objectives that would necessitate a review or revision by our advisors of the client’s portfolio and/or financial plan.

As an investment advisory firm, we act as a fiduciary to our clients, meaning we owe them a duty and

obligation to put their needs ahead of our own.

To the extent any client is a retirement plan or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and depending on the investment management services provided by us, the Firm could be considered an ERISA Fiduciary.

We do not sponsor or provide portfolio management services to wrap fee programs offered by broker-dealers or others.

### **Termination**

Either party can terminate services by providing thirty (30) business days’ written notice. The Firm does not assess any fees related to a termination but is entitled to all management fees earned up to the date of termination. Any earned fees owed to SkyOak will be collected and billed against the client’s account on a pro-rata basis as determined by the amount of time remaining in the calendar month or quarter.

Clients who terminate within five business days of entering into a written advisory agreement are entitled to a full refund of any pre-paid fees. Any transaction costs charged by the executing broker or custodian for establishing the custodial account or for trades occurring during those five days are non-refundable.

## **Item 5 Fees and Compensation**

As set forth below, client fees depend upon the scope of each client’s level of engagement. SkyOak offers its services on a fee basis which can include any combination of the following:

- Investment Management Services based on the amount of investable assets under management.
- Financial Planning or Financial Consultations based on a fixed, hourly or recurring fee.
- Personal Wealth Manager Services or Family Office Services based upon a percentage of assets or net worth. This fee can be fixed and/or based on an hourly charge.
- Self-Directed IRA Services and Administration based on the amount of self-directed assets.
- Corporate Retirement Services based on the amount of plan assets under management.
- Private fund advisory services.
- Other services fees which are more unique or one-off and depend upon the special needs of the client. Each of these fees, if and when they arise, will be disclosed to clients.

### **Investment Management Services Fees**

For its investment management services, SkyOak charges an annual fee based on a percentage of investable assets under management. SkyOak’s annual investment management fee is prorated and charged monthly, in advance, based upon the market value of the assets on the last day of the previous monthly assessment date. For new accounts, SkyOak charges a fee based on the value of assets placed in the account, prorated to the portion of the month during which the assets were under management by



the Firm.

<b>SkyOak's Investment Management Fee Schedule Based on Market Value of Client Assets Placed Under Management*</b>	<b>Annual Fee Rate</b>
Under \$1,000,000	1.25% with a minimum annual fee of \$2,400
Next \$1,000,000 up to \$2,500,000	1.00%
Next \$2,500,000 up to \$10,000,000	0.80%
All Assets above \$10,000,000	0.65%
Minimum Annual Fee	\$2,400
Basic Financial Planning up to 20 hours a year is included in fee	

Services provided for the above fees are for basic planning, investment advice, asset management, due diligence, monitoring of investments, reporting of asset holdings, valuations and performance reviews. The Investment Management and Service Agreement is effective as of the date signed by the client.

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

#### **Financial Planning and Financial Consulting Services Fees**

For its financial planning and other financial consultation services that are apart from or beyond its investment management services, SkyOak charges fees that are dependent upon the complexity of a client's requirements, the number of meetings, client objectives and the extent to which outside professionals are consulted for estate planning, accounting and other professional services. Fees are assessed in accordance with the following schedule:

<b>SkyOak's Financial Planning &amp; Financial Consulting Fee Schedule</b>	
Initial Financial Plan	\$1,500- \$10,000
Annual Retainer for Ongoing Financial Planning Engagement	50% of Initial Plan Cost
Hourly Financial Planning or Consulting	\$300-\$600 / Hour
Retainer Payable upon Commencement of Agreement	50%

A retainer equal to 50% of the estimated fees is payable at the commencement of the financial planning or other financial consultation. Ongoing fees are payable as invoiced and/or automatically charged annually. Additional consulting services and fees will be governed by a separate agreement and no charges will be assessed to the client without his or her consent. Client consent is effective as of the date the client signs the agreement.

### **Private Wealth Manager Services & Family Office Services Fees**

SkyOak's Private Wealth Manager (PWM) and Family Office services fees are calculated as annual flat fees, hourly fees, a percentage of net worth or as a combination of any of these fee calculation methods, depending upon the services provided. We assess a minimum fee of \$25,000 per year. Hourly and flat fees are dependent upon the complexity of a client's requirements, the number of meetings, client objectives, services SkyOak is providing and the extent to which outside professionals are consulted for estate planning, accounting and other professional services.

If a PWM or Family Office client seeks discretionary asset management by SkyOak in which SkyOak actively manages or has discretion over trading and making investment decisions, there will be an additional Investment Management Agreement & fee in addition to the PWM and Family Office services fee above.

The PWM and Family Office services fee schedule is as follows:

<b>Private Wealth Manager &amp; Family Office Service Fee Schedule</b>	
Hourly Fee	\$300/hour minimum
Fixed Annual Fee	\$25,000 minimum
Percentage of Net Worth Fee	0.18 to 0.48%
Retainer Payable upon Commencement of Agreement	25% of estimated total cost or annual fee
Minimum Fee	\$25,000

### **Self-Directed IRA Services & Administration Fees**

SkyOak, as Designated Representative, charges an annual self-directed IRA service fee based on a percentage of assets being serviced by SkyOak at Account Holder's custodian. SkyOak's annual IRA service fee is charged quarterly based upon the most recent custodian's statement of the assets provided by account holder. For new accounts, SkyOak prorates its fee to the portion of the calendar quarter during which the assets were subject to SkyOak's Service Agreement. The fee schedule is as follows:

<b>SkyOak's Self-Directed IRA Standard Service Fee Schedule Based on Custodian's Statement Value</b>	<b>Annual Fee Rate</b>
On the Market Value under \$1,000,000	0.50%
On the Market Value from \$1,000,000 to \$2,000,000	0.40%
On the Market Value above \$2,000,000	Negotiated
Minimum Fee	\$800

### **Corporate Retirement Plans Fees**

The Fee will be determined by reference to the value of assets held in custody by the Plan's custodian and will represent a pro rata portion of an annual fee. In addition, if client engages Advisor as a 3(38) Discretionary Fiduciary, any additional fees associated with that service, as fully disclosed to and agreed to by client, are included in this Asset Under Management (AUM) fee.

Our Corporate Retirement Plans Advisory fee is determined based upon factors such as, but not limited to, the level of requested services, size of plan and level of fiduciary service. Fees are assessed in accordance with the following schedule:

<b>SkyOak's Corporate Services Advisory Fee Schedule Based on Market Value of Plan's Assets Placed Under Management</b>	<b>Annual Fee Rate</b>
Under \$1,000,000 Assets Under Management	1.25%
On the next \$1,000,000 to \$5,000,000 Assets Under Management	1.00%
On above \$5,000,000 to \$10,000,000 Assets Under Management	0.75%
On above \$10,000,000 to \$20,000,000 Assets Under Management	0.50%
\$20,000,000 and over	Negotiable
Minimum Fee	\$5,000

### **Private Fund Advisory Services & Fees**

Compensation received by SkyOak and its affiliates from the Funds comprises management fees and performance fees (also called performance allocation). Additionally, consistent with the governing documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by SkyOak and the general partner (or equivalent entity) in connection with the services provided to the Fund. Further details about certain common fees and expenses are set forth below, and investors and prospective investors should review a Fund's governing documents for additional information about Fund fees and expenses.

## *Management Fees*

SkyOak (or an affiliate) serves as investment adviser to the Funds and provides advisory services to the Funds in exchange for management fees, based on a percentage of assets under management during the life of a Fund. Management fees charged to the Funds vary by Fund (generally, in a range of 1-2% per year) and are established pursuant to negotiations with investors in the applicable Fund and set forth in each Fund's respective governing documents. Management fees paid by a Fund are indirectly borne by investors in such Fund. In certain circumstances, based on criteria (which vary from Fund to Fund, and generally are based on the timing and size of Investor commitments) applied in SkyOak's (or its affiliate's) discretion, some investors qualify to pay lower management fees than other Investors investing in the same Fund, and such arrangements will be documented in side letters that are not in every instance disclosed to other Investors in the same Fund. SkyOak's right to receive management fees from a Fund typically ends upon the final distribution of such Fund.

The terms of such management fees, including the amount of management fees paid by any investor, are set forth in each Fund's governing documents (or in a side letter with such investor). Investors and potential investors should review relevant governing documents for complete information regarding management fees payable to SkyOak (or its affiliates). Management fees typically are payable monthly or quarterly in advance and deducted from the assets of each Fund as described in each Fund's governing documents.

Generally, a Fund is able to enter into a side letter or other similar agreement with one or more investors with respect to the Fund without the approval or vote of any other investors. Side letters typically have the effect of establishing rights under or modifying the terms of the Fund's governing documents with respect to such investor(s) in a manner more favorable than those applicable to other investors.

Importantly, SkyOak waives any investment management fees SkyOak would be entitled to receive in association with client assets invested in the private funds managed by SkyOak. As part of SkyOak's fiduciary duty to clients, SkyOak endeavors at all times to put the interests of the clients first.

## *Performance Fees*

Investments made by SkyOak on behalf of the Funds are subject to a sharing of realized and unrealized profits known as a performance fee (or sometimes, as a performance allocation), which is a percentage of the investment income and net realized and unrealized capital gains and losses. Generally for the Funds, SkyOak receives a performance fee in a range of 10-20% of the net capital appreciation of investor capital accounts, calculated on a high-water mark basis. The terms of such performance fee arrangements, including a detailed description of the performance fee calculation methodology applicable to each Fund, are set forth in each Fund's governing documents.

## **Other Fees**

Commissions Earned. In the course of providing its financial planning or investment management services, SkyOak expects to recommend insurance solutions through SkyOak's insurance affiliate, SkyOak Asset Protection Group, LLC ("SOAPG"). SkyOak principals and employees are licensed agents of SOAPG and when SkyOak recommends an insurance product to a client, the applicable insurance issuer will pay a

commission-based fee to SOAPG and employees of SkyOak who are agents of SOAPG.

While SkyOak does not itself offer these investment programs and insurance products to its investment advisory clients, the Firm does permit, on a limited basis, and because of a pre-existing agreement with some employees, independent contractors, and/or advisors who are registered representatives and/or insurance agents, in their individual capacities as registered representatives or insurance agents, to sell such securities or insurance products to its investment advisory clients and to receive customary commissions and compensation in connection with those sales of insurance products. (Please see Item 10 below for additional disclosures regarding SOAPG.)

Custodian & Brokerage Fees. Clients incur certain charges imposed by their custodians and other third parties such as, but not limited to, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to Advisor's investment management fee. SkyOak does not receive any compensation from these additional fees.

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

All such funds incur operating expenses in connection with the management of the fund. Investment funds pass some or all of these expenses through to their shareholders (the individual investors in the funds) in the form of management fees. The management fees charged vary from fund to fund. In addition, funds charge shareholders (individual investors in the funds) other types of fees such as early redemption or transaction fees. These charges also vary widely among funds. As a result, clients will still pay management fees and other, "indirect" fees and expenses as charged by each mutual fund (or other fund) in which they are invested.

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

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

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

#### **General Fee Disclosures**

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

The Advisor, in its sole discretion, has the ability to charge a lesser investment advisory fee, or a flat fee, based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). The Advisor generally does not impose a minimum relationship size for establishing a relationship. However, certain of the Advisor's strategies require a minimum asset amount to achieve optimal returns based on the needs of the client, which can be waived at the sole discretion of the Advisor. Please Note: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

### **Item 6            Performance-Based Fees and Side-by-Side Management**

SkyOak might recommend Investment Managers and investment funds, and private funds which assess a performance-based fee. Such a recommendation to invest with an Investment Manager or investment fund with a performance-based fee arrangement would be preceded by an assessment as to the suitability and appropriateness of such an investment, relative to other similar investments, if any, which do not have a performance-based fee arrangement.

As noted in Item 5 above, the general partners of the Funds receive incentive based compensation (i.e., performance-based fees) from the Funds in the form of performance fees. Generally, the performance fee applicable to each investor who is charged such performance fee will be made to the general partners quarterly, on a high-water mark basis. The performance fee applicable to an investor will be made at the end of each quarter (or other measurement period as set forth in Fund's governing documents) on a capital account-by-capital account basis and will not be made based on a Fund's net capital appreciation as a whole. Due to its affiliation with SkyOak, a general partner's receipt of performance-based compensation creates a conflict of interest in that (i) it creates an incentive for SkyOak to make investments that are riskier or more speculative than in the absence of such performance-based fees, and (ii) SkyOak and the general partners receive increased compensation with regard to unrealized appreciation as well as realized capital appreciation of an investor's capital account. In addition, should the Funds invest in an underlying private fund, such underlying private fund will charge performance-based fees in addition to its management fees. These fees are charged to the Funds.

## Item 7      Types of Clients

The Advisor's Clients shall generally include individuals, high net worth individuals, business entities, pooled investment vehicles, trusts, estates, charitable organizations, and pension and profit-sharing plans. The amount of each type of client is available on the Advisor's Form ADV Part 1A.

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

### METHOD OF ANALYSIS

The Advisor's Investment Process encompasses three major areas:

1. Asset Allocation
2. Investment Selection
3. Portfolio Construction

1.      **Asset Allocation** is the process for determining an asset allocation that is appropriate for an investor, as well as considering how each asset class will fare in the intermediate term in relation to its long-term expectations. The first step is to define which asset classes exist and how to categorize the world of investments. Asset classes must be unique, and investable for consideration. We believe there are roughly 15 asset classes that exist today for sophisticated investors.

It is also important to classify these asset classes more broadly into groups that investors can understand. We believe all asset classes serve one of three purposes: Growth, Preservation or Inflation Protection. Any asset class can be classified in one of these categories. By using broad categories that establish a clear goal and objective, we believe investors can better determine their proper allocation among the three groups, and therefore have portfolios that better fit their risk profile.

2.      **Investment Selection** is the process of determining how to invest in each asset class. We primarily utilize an open architecture, in that we do not generally select individual securities within our firm. Whenever possible, we build portfolios by selecting specialists or firms providing specialized technical analysis who focus their research process on a specific area of the investment marketplace or methodology. To invest our client portfolios, we typically utilize a combination of (a) separately managed accounts and/or mutual funds utilizing active management organizations; (b) model portfolios utilizing specific research and methodology consisting of individual stocks and/or exchange traded funds ("ETFs") and; (c) limited partnerships and/or pooled investment vehicles.

- Active Management Organizations. In researching an active management organization, we look at investment firms in four parts: Organization, Investment Process, Performance, and Operations. Our review of the organization is focused on determining whether the organization is likely to impede the investment process over the life of our investment. We seek to invest in firms that have positive attributes we prefer around ownership structure, compensation, product distribution, capacity management and numerous other items. In

reviewing an investment process, we seek to understand the quality of the information the manager possesses, how they have utilized that information, and how they make portfolio decisions. This is a process that can review many individual investments over multiple years. We then will review performance, which is essentially the result of the investment process. Not all strong performance track records are the same, and we seek to understand in depth how the manager has added value, and whether the nature of that added value is likely to continue. Finally, we review the firm's operational capabilities, in terms of their operational policies and documents. In the case of Limited Partnerships, we conduct a review of the operations to ensure we are comfortable with the custodian, administrator, auditor, as well as other items.

Ongoing due diligence is a critical component of our recommended manager selection, and it is necessary to continue to review all four aspects of our active managers on a forward-looking basis. Please Note: While our ongoing due diligence includes client's legacy managers, we can undergo a more thorough level of due diligence of our recommended managers. We continue to monitor the organization for any changes or signs of maturity or decline. We analyze data regarding the portfolios, and how the portfolios change over time. For marketable investments, we review performance monthly, and based on the type of investment will analyze performance drivers like attribution analysis on a quarterly basis. If there are changes to any of the key attributes of our managers, we will make decisions about continuing to use a manager in client portfolios and could lead us to termination or redemption from an existing manager.

- Research & Subscriptions. For many of our client portfolios, we utilize a technical analysis trading software called RAAMPS®. This Risk Averse Actively Managed Portfolio Strategy, or "RAAMPS®", is a highly sophisticated disciplined four-step process that screens, evaluates and ranks, monitors and trades, and finally refreshes portfolios. Through our written agreement with RAAMPS, we receive buy and sell signals daily on each model portfolio that we subscribe to, which then are used to execute trades within client portfolios.

The RAAMPS process was created to deliver asset protection through actively managing the risk of holding a particular stock or Exchange Traded Fund ("ETF"). RAAMPS® uses both fundamental and technical analysis in its trading strategy. The RAAMPS process was developed not as a "Buy and Hold" portfolio but rather as a group of actively managed portfolio models providing buy and sell signals as the momentum in a particular company and/or ETF increases or decreases. The program was built to treat cash as an asset which does not need to be invested during a correction.

SkyOak currently subscribes to eleven different RAAMPS® strategies using unique stock selection processes and screens.

4. Portfolio construction is a process that marries the asset allocation and investment selection with the key attributes of the client. Doing our review process with a client, we will create an investment



strategy based on an allocation to our three major asset class buckets: 1) Growth, 2) Preservation, or 3) Inflation Protection. Portfolio construction for a client will continue to be an ongoing process making sure that as their needs and goals change over time, our portfolios change as well.

## **INVESTMENT STRATEGY**

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

SkyOak offers advice regarding the above and is then authorized to effect securities transactions in equities; municipal, government and corporate bonds; investment company products (i.e., mutual funds, exchange-traded funds, closed-end funds) and Alternative Investments mentioned below. We also provide insurance solutions where appropriate. SkyOak also provides advice about any type of investment held in a client's portfolio at the beginning of the advisory relationship.

Depending on the client, we utilize a core-satellite approach to portfolio management which allows us to blend our investment strategies to offer greater diversification while addressing changes in the global economy. We view one of our primary roles as an investment advisor as that of risk manager.

Mitigating and balancing risk in client portfolios is achieved through careful evaluation of market trends, by participation in markets when they are deemed to be favorable and by responding when trends shift to become unfavorable. This is accomplished by attempting to seek out the best performing asset classes and investment styles in any given market cycle. We try to be responsive to what the market is doing. We do not attempt to guess what the market is going to do. SkyOak takes an active role in managing assets with its actively managed strategies. Our core portfolios, which are not utilized with each client, are designed to maintain a longer-term asset allocated exposure in a blended portfolio. Not all clients will have a core allocation. Each core-satellite allocation is different and based upon each client's risk tolerance, preferences, goals and conditions as outlined above.

### Alternative Investments

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

The following list is not a complete list of all risks involved in connection with an investment in private funds. A more comprehensive description of the risks associated with each such investment is included in the respective fund's governing documents.

## INVESTMENT RISKS

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

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

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

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

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

**Model Risk** – Investment models may not produce the results intended which may cause an investment strategy to not meet its stated objective. As market dynamics (for example, due to changed market conditions and participants) shift over time, a previously highly successful model could become outdated or inaccurate, resulting in investment losses.

**Reinvestment of Dividends** – An investor can choose to reinvest interest, dividends and capital gains to accumulate wealth. This may be an appropriate strategy for a portfolio designed for capital growth. However, the reinvested earnings could result in a lower or a higher rate than was initially earned. In SkyOak's actively traded portfolios, we do not reinvest stock dividends; dividends are paid in cash to the account as received.

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

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

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

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

## **Item 9           Disciplinary Information**

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

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

Neither the Advisor, nor its Advisory Persons, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

**SkyOak Asset Protection Group, LLC ("SOAPG")**. Some of our advisory representatives are licensed as insurance agents and will earn customary commissions should clients choose to purchase any insurance products through them. We primarily place insurance products when they are part of a strategic asset allocation solution for a client. Many times insurance products are necessary to help clients achieve their stated goals. When we do offer insurance products, our advisory representatives offer them through SOAPG. When advisory clients are offered or sold insurance products, a potential conflict of interest will exist. Clients are advised that they are under no obligation to purchase insurance products from our advisory representatives. Additionally, SOAPG has previously and expects in the future to refer clients needing insurance products and services not offered by SOAPG to JPG, which will pay SOAPG a referral

fee for such referrals (see additional details in Item 14 below).

**RAAMPS, LLC.** RAAMPS, LLC is owned and was founded by Derek Davis, husband of Jennifer Davis, the owner and CEO of SkyOak. RAAMPS, LLC is a research and technical analysis software firm that provides algorithmic and quanta mental trading signals to SkyOak for some accounts utilizing portfolio models powered by RAAMPS. These activities create a conflict of interest because when accounts utilize RAAMPS, LLC services, SkyOak contractually pays a fee to RAAMPS, LLC. There is no difference to clients in the total cost of fees paid to SkyOak directly whether accounts use the RAAMPS, LLC sub-advice or not. Should clients elect to invest in a model powered by RAAMPS, Mr. Davis (as spouse of Mrs. Davis) will receive compensation.

**LVSI, LP.** LVSI, LP is a limited partnership where Jennifer Davis, owner and CEO of SkyOak, is an equal partner with Derek Davis, husband of Jennifer Davis, of the General Partner. SkyOak Partners, LLC. is the General Partner (“GP”) to the LVSI Fund (the “LVSI Fund”). SkyOak Capital Inc. is the Investment Manager (“IM”) of the fund. The LVSI Fund is a pooled investment vehicle established as a hedge fund. SkyOak is the advisor to the LVSI Fund. SkyOak expects to recommend that certain clients invest in the LVSI Fund, however, such clients are under no obligation to do so.

**SkyOak Partners, LLC.** SkyOak Partners, LLC is a limited liability company where Jennifer Davis, owner and CEO of SkyOak, is an equal partner with Derek Davis, husband of Jennifer Davis. SkyOak Partners, LLC. is the General Partner (“GP”) to the LVSI Fund (the “LVSI Fund”). The LVSI Fund is a pooled investment vehicle established as a fund to funds. SkyOak expects to recommend that certain clients invest in the LVSI Fund, however, such clients are under no obligation to do so.

The GP of the Fund(s) is eligible to receive a performance-based fee from certain qualified clients who invest in the Fund(s), subject to performance hurdles as set forth in the Fund’s governing documents. Entitlement to receive a performance fee gives the GP (and indirectly, Ms. Davis) an incentive to favor the Fund(s) (and thereby, the investors in the Fund(s)) that are subject to paying a performance fee over those clients (including investors in the Fund(s)) that are not subject to a performance fee with respect to the allocation of investment opportunities among the Fund(s), on one hand, and clients on the other hand. Further, performance fee arrangements generally give an incentive to seek higher returns and take more risk than it would absent such arrangements. Therefore, a performance fee arrangement presents a potential conflict of interest. However, the various performance hurdles that are also part of such arrangements, and that are a precondition to the receipt of any performance fee serve to mitigate conflict of interest issues, and impel the GP to balance return and risk, while seeking the highest risk-adjusted returns, consistent with the best interests of both the Fund(s) (including its investors) and SkyOak clients.

If a client decides to invest in the Fund(s), the client will execute the Fund’s subscription agreement and will pay a separate management as well as a performance fee (to the extent earned by the GP) associated with the Fund(s). Clients should review the Fund’s offering memorandum and other governing documents for more information about fees and expenses. Only a client that is considered to be an accredited investor and/or qualified client (as those terms are defined in the Advisers Act) are eligible to invest in the Fund(s) as a limited partner. Importantly, SkyOak waives any investment management fees SkyOak would

be entitled to receive in association with client assets invested in the private funds managed by SkyOak.

In addition to our disclosure obligation, we believe that these conflicts are addressed naturally through our other obligations, including:

- Our duty to have a reasonable, independent basis for our investment advice;
- Our primary role as a fiduciary;
- Our duty to ensure that the advice we offer is appropriate, given your individual objectives, needs and circumstances; and
- Our duty to be loyal to clients.

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

## **Item 11      Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Associated persons are permitted to buy or sell securities for their own accounts. In most instances, index-based securities are acceptable to trade in with few exceptions, given their size, volume and linkage to an underlying index. In the case of a security in which our firm is actively investing in or recommending on behalf of our clients, more stringent restrictions and limitations will apply. In no case can an associated person transact in a manner that gives them a price or outcome advantage. As a firm we seek to ensure that associated persons or their family members do not personally benefit in any way from short-term market effects of recommendations or discretionary investments made for and on behalf of our clients. If a violation is uncovered, corrective actions will be taken. If violations are intentional, harsher disciplinary actions will be enforced which may result in the termination of an employee.

Further, we have adopted a Code of Ethics to instruct our personnel of their ethical obligations and to provide rules and guidelines governing their personal securities transactions. Our Firm and our personnel owe a duty of loyalty, fairness and good faith to our clients. The obligation to adhere to these rules includes not only to the specific provisions of the code but also to the general principles of our Code. Our Code covers a range of topics including general ethical principles, reporting of personal securities trades, exceptions to reporting securities trading, reportable securities, initial public offerings, private placements and reporting ethical violations. We inform and educate our associates on the Code; we review and enforce these rules to the best of our ability; we constantly monitor and amend when necessary; and remain vigilant in our supervisory role. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

## Item 12 Brokerage Practices

### Broker/Dealer Selection

We recommend that clients establish brokerage accounts with either Schwab Institutional ("Schwab"), our Primary Custodian, American Funds or Equity Trust Company, each of which is a registered broker-dealer, to maintain custody of your assets and to effect trades for your accounts.

We are independently owned and operated and not affiliated with those entities.

#### Charles Schwab

Charles Schwab through its Schwab Advisors Services ("Schwab") provides SkyOak with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. This relationship creates an incentive to recommend Schwab because of the access it provides. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them as long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab but are not otherwise contingent upon SkyOak committing to Schwab any specific amount of business (in the form of either assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab makes available to us other products and services that benefit us but may not benefit your accounts. Some of these other products and services assist us in managing and administering your accounts. These include software and other technology that:

- Provide access to your account data (such as trade confirmations and account statements);
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts);
- Provide research, pricing information and other market data;
- Facilitate payment of our fees from your accounts; and
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service a substantial number of our accounts, including accounts not maintained at Schwab.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services generally include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to us by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to us.

We endeavor to act in your best interest. Our recommendation that you maintain your assets at Schwab is based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab. This creates a conflict of interest.

### Directed Brokerage

Clients may select another custodian. Not all advisers would require or suggest that you use a particular custodian. If you choose a different custodian, we expect not be able to achieve the most favorable execution of transactions. It may cost you more or less money. In particular, you may pay higher brokerage commissions or receive less favorable prices. The method of pricing custodial fees differs from Schwab, American Funds and Equity Trust Company; although they are comparable in overall cost, the calculation methods are different. You should consider those factors as they relate to your individual decision to select one custodian over another. Information about the various fees associated with custody and trading are available from Schwab, American Funds and Equity Trust Company as detailed in their custodial agreements and/or account opening documents. Clients who direct brokerage should understand that similar brokerage services may be obtained from other broker-dealers at lower costs and possibly with more favorable execution.

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

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

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

### **Best Execution**

We endeavor to obtain the most favorable execution for each transaction executed on behalf of client accounts. We are not obligated to obtain the best net price or lowest brokerage commission on any particular transaction.

When selecting broker-dealers, our objective is to obtain best execution. The expected transaction costs, commissions, and custodial fees are principal factors, but the selection also considers the ease of doing business, the custodian's reliability and financial security, and the services provided by the custodian.

Based upon an evaluation of these factors, SkyOak will seek competitive pricing but may execute client trades through broker-dealers that charge fees that are higher than the lowest available fees. SkyOak may select broker-dealers whose fees are greater than those charged for similar investments if SkyOak

determines that brokerage services and research materials provided by that broker-dealer warrant the payment of higher fees and will provide the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security.

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

#### **Soft Dollar Arrangements and Other Conflicts**

SkyOak is not a party to any soft dollar arrangements. A soft dollar arrangement is an agreement through which an executing broker agrees to provide or pay for research or brokerage services, based on the use of brokerage commissions earned from client trades.

As noted above in this section regarding Schwab, American Funds and Equity Trust Company, on occasion, we receive research or discounts on software from our custodians. These discounts are typically offered to firms who fit a common profile. We do not receive these discounts because of a particular event or request. Such discounts are accepted with the intent to benefit all clients, and the value of these discounts is not considered in the process of selecting securities to purchase for client accounts.

#### **Aggregation of Trades and Potential Conflicts**

We frequently combine orders into block trades when more than one account is participating in the trade as is often the case with our discretionary accounts. This blocking or bunching technique is designed to be fair and equitable to all clients and all advisors. We engage in block trading when it is consistent with our duty to seek best execution and is in compliance with the terms of our investment advisory agreements. In most cases, when dealing with discretionary accounts, trades are likely to be, but not always, placed in a block order derived from our assessing the number of shares required to buy or sell on behalf of our client(s) to bring their account(s) into balance of their selected investment model or models (for example, client accounts not managed in a SkyOak investment model are generally not part of block trades). Our associated person's trades may be included in these block trades as long as the details of their inclusion is included prior to the execution of the order, thus including their allocation on a pre-trade basis.

Equity trades are executed as a block trade based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a particular block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. There may be situations in which multiple custodians are sent block trade instructions at approximately the same time, but are then executed at different times by the custodian. As a result, different execution prices could be possible.

Any portion of an order that remains unfilled at the end of a given day may be re-entered on the following day as a new order with a new daily average price to be determined at the end of that following day. The



key oversight mechanism in our block trading practice is the pre-designation of the allocation of shares for all parties.

During the course of the trading day, non-block orders or individual orders may become necessary in certain situations. We restrict our associates to front run any block orders, but there are times in which independent orders may come at different times and at different prices. Our intent is to track all such situations and transactions either prospectively or retrospectively. We feel that prospective permission is untenable and could actually disadvantage a client who is intending to act on an intraday price movement in a stock. These situations arise rarely, and we are constantly monitoring them.

Because we have multiple advisors who manage accounts, trades in the same security may occur on the same day or in a series of days at different prices given the market at the moment each trade is executed. You are advised that this may occur.

### **Allocation of Opportunities and Potential Conflicts**

Due to the low liquidity of certain securities, position and pricing availability may be limited. Open limit orders are worked until they are either completely filled, partially filled, or canceled. This may span the course of several days.

- If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement.
- If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. We have the ability to allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment. It is our policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients.
- In the event of an order not being fully filled or being terminated for any variety of reasons, we will seek to allocate shared on a pro-rata basis or depending on the reason for the terminated order, may move to subsequently fill it and apply the same average pricing methodology. The Firm is not obligated to acquire for any client account any security that the Firm or its owners, officers, employees or affiliated persons may acquire for their own accounts or for the account of any other client.

### **Important Note about Trade Errors**

In the event a trade error occurs, the trade error will be corrected. We will rectify the error and ensure the account is not disadvantaged. In the event the error results in a gain, the gain will not be retained by the advisor or client and will instead be given by the custodian to charity.

## **Item 13      Review of Accounts**

Accounts are generally reviewed with clients no less than annually for time horizon, goals, and objectives by the Advisory Representative working with the account. Additional reviews can be triggered by client requests or extreme market conditions. Reviews are done in person or over the phone and do not necessarily include any written reports to clients.

Clients who have selected financial planning and consulting services will receive ongoing financial analysis only as requested by the client and as agreed to by SkyOak.

Clients receive reports from SkyOak no less than annually that includes relevant account and/or market-related information such as an inventory of account holdings and performance. Clients also receive monthly statements from the custodian of their account(s) showing all holdings, contributions, withdrawals and other activities to their accounts. Clients are advised to regularly compare the reports received from SkyOak with the statements received from the custodian to verify holdings.

## **Item 14      Client Referrals and Other Compensation**

The Advisor engages independent promoters to provide client referrals. If a client is referred to us by a promoter, this practice is disclosed to the client in writing by the promoter and the Advisor pays the promoter out of its own funds—specifically, the Advisor generally pays the promoter a portion of the advisory fees earned for managing the capital of the client or investor that was referred. The use of promoters is strictly regulated under applicable federal and state law. The Advisor's policy is to fully comply with the requirements of Rule 206(4)-1, under the Investment Advisers Act of 1940, as amended and effective May 4, 2021 (with compliance by November 4, 2022) (the "Advertising Rule"), and similar state rules, as applicable.

The Advisor may receive client referrals from Indyfin LLC or Dark Horse Advisors, LLC ("Promoters"). The Promoters are independent of and unaffiliated with the Advisor and there is no employee relationship between them. Promoters do not supervise the Advisor and has no responsibility for the Advisor's management of client portfolios or the Advisor's other advice or services. The Advisor pays Promoters an on-going fee for each successful client referral. This fee is usually a percentage of the advisory fee that the client pays to the Advisor ("Endorsement Fee"). The Advisor will not charge clients referred through Promoters any fees or costs higher than its standard fee schedule offered to its clients.

From time to time, SOAPG will refer JPG Insurance ("JPG") to SkyOak clients in need of certain insurance products or services not offered by SOAPG ("Referred Client"). If the Referred Client becomes a client of JPG, SOAPG will receive a referral fee from JPG, and pay a portion of that referral fee to the individual agent (also an employee of SkyOak) involved. The referral fee is a percentage of the revenues earned by JPG from the Referred Client and continues until the agreement between JPG and the Referred Client is terminated. The fact that SOAPG receives referral fees from JPG creates an incentive for SOAPG and its personnel to refer SkyOak clients in need of insurance products and services to JPG, which in turn creates a potential conflict of interest. Referred Clients should understand that they are under no

obligation to engage JPG (or SOAPG) and decisions on whether or not to engage JPG have no bearing on the services provided to SkyOak clients by SkyOak (or SOAPG).

## **Item 15      Custody**

SkyOak does not physically possess client funds or securities. If funds or securities are inadvertently received by SkyOak, they are returned to the sender within three business days of receipt.

SkyOak is deemed to have custody of client funds or securities if the client is invested in the LVSI Fund based on the fact that the GP, SkyOak's related person, acts as general partner of a limited partnership ("the Fund(s)") organized as a pooled investment vehicle.

Custody of account assets will be maintained with an independent qualified custodian. SkyOak has established a prime brokerage arrangement on behalf of the Fund(s), pursuant to which the prime broker will act as qualified custodian and maintain physical custody of the cash and securities of the Fund(s). The prime broker will also provide a detailed portfolio and related reports (no less than annually) pertaining to account holdings and transactions to our administrator who provides individual statements to Fund investors.

Under the Custody Rule, advisers with custody are generally required to undergo an independent verification of the assets for which the adviser has custody through an annual surprise examination by an independent certified public accountant. SkyOak will be deemed to have complied with this requirement with respect to the assets of the Fund(s) because the Fund(s) are subject to annual audit by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules and the Fund's audited financial statements are prepared in accordance with generally accepted accounting principles and are distributed to all limited partners within 120 days of the end of the Fund's fiscal year. The Fund(s) are also subject to audit upon liquidation and the audited financial statements are distributed to all limited partners promptly after the completion of such audit.

In addition, SkyOak is deemed to have limited custody of client funds to the extent that SkyOak deducts fees from your accounts. Your qualified custodian maintains actual custody of your assets and will send quarterly account statements directly to you. Those statements show the deduction of your advisory fee. You should carefully review those statements and should contact us promptly if you identify any errors.

Additionally, if the client gives the Advisor authority to move money from one account to another account, the Advisor could be deemed to have custody of those assets. In order to avoid additional regulatory requirements in these cases, the Custodian and the Advisor have adopted safeguards to ensure that such money movements are completed in accordance with the client's instructions.

## **Item 16      Investment Discretion**

For our investment management accounts, we request that you give us discretionary authority to manage your accounts by signing a written power of attorney built into your advisory agreement. This discretion includes the ability to make decisions to purchase or sell securities without consulting you, the client. You may place reasonable restrictions on specific securities that we purchase or sell. Subject to the Firm's investment strategy and the client's investment objectives, our portfolio managers are given full discretion to determine:

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

This discretion is limited by client investment guidelines and by any investment restrictions set by the client.

## **Item 17      Voting Client Securities**

We do not vote proxies on your behalf. You retain that right unless you make other arrangements with the custodian of your assets. You will receive proxies or other solicitations directly from the custodian of your assets. You may contact us with questions about proxies.

## **Item 18      Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you. We have not been the subject of a bankruptcy petition at any time.