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## FORM ADV Part 2A – Client Brochure

March 14, 2024



# SAGEOAK

## FINANCIAL

SageOak Financial, LLC

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This brochure provides information about the qualifications and business practices of SageOak Financial, LLC (“SageOak”). If you have any questions about the contents of this brochure, please contact us by phone at (918) 627-3700 or by email at [info@sageoakfinancial.com](mailto:info@sageoakfinancial.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.

SageOak Financial, LLC is a registered investment adviser with the Securities and Exchange Commission. Registration of an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information to determine if you should hire or retain an adviser. Additional information about SageOak Financial, LLC is also available on the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov) by searching CRD No. 166927.

## Item 2 – Material Changes

The purpose of this section is to discuss any material changes since the last annual update of SageOak Financial, LLC's Form ADV Part 2 disclosure brochure. The date of our last annual update was March 28, 2023.

### **Summary of Material Changes:**

- Due to the merger of TD Ameritrade, Inc. and Charles Schwab & Co., Inc., we have updated Item 12 of our Brochure.
- We have added that fees are negotiable based on the circumstances and dynamics of the client relationship.

We will ensure that clients receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will also provide you with a new brochure, as necessary, based on changes or new information, at any time, without charge.

A copy of this brochure may be requested at any time, free of charge, by contacting Tyler A. Gray, Managing Director, Financial Advisor, and Chief Compliance Officer of SageOak Financial, LLC by phone at (918) 627-3700 or by email at [info@sageoakfinancial.com](mailto:info@sageoakfinancial.com).

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## Item 4 – Advisory Business

### Firm Description

SageOak Financial, LLC (“SageOak,” “we,” “our,” or “us”) is a limited liability company organized in the state of Oklahoma. SageOak was established in 2013. Our principal owners are Tyler A. Gray, Steven W. Ellis, and Stan R. Rickner. SageOak is a fee-only financial planning firm that focuses on providing comprehensive and holistic financial planning and wealth management advice to working professionals, business owners, near/current retirees, and their families. Our advice is based on timeless financial wisdom, principles, and truth that is applicable to every stage of life. Our specialty, however, is providing working professionals, business owners, and near/current retirees with comprehensive financial planning advice on issues that may include, but are not limited to the following:

- Investment consulting
- Tax efficiency and tax minimization planning
- Estate planning and wealth transfer goals
- Wealth enhancement and asset/income protection
- Retirement planning
- Insurance needs evaluation and planning
- Charitable and philanthropic counsel
- Business advice and succession planning
- Cash flow planning and debt reduction
- College funding and planning

### Types of Advisory Services

#### Wealth Management Services

This engagement is the primary focus of SageOak’s services. In this engagement, SageOak provides financial planning and discretionary investment management services based on the client’s individual values and goals.

This ongoing engagement will likely entail developing an investment policy statement outlining the client’s goals, time horizon, liquidity needs, risk tolerance and other factors that serve as a guide for the investment plan moving forward. After the client has established any necessary accounts with third-party custodians, SageOak will assist with the organization of account paperwork and continue with the development and implementation of the client’s long-term financial plan. This will involve a more comprehensive evaluation of the client’s needs with our recommendations for moving forward. This ongoing process will typically involve meeting with the client regularly, such as quarterly, but no less than annually, depending upon the needs and desires of the client. Depending on the engagement, it may also include the annual preparation of the client’s federal and state tax returns.

Finally, since no financial advisor can be an expert in every area of planning, SageOak will consult with a team of carefully selected outside specialists and experts (i.e. accountants, attorneys, etc.) as the need arises. We will gladly consult with your current advisors, or we can also recommend outside advisors that we feel would provide value to the relationship and to the planning process. Due to SageOak’s independent and fee-only structure, however, we will **never** accept referral fees, commissions, or other forms of compensation from third parties. This means you will always receive independent, objective, and honest financial advice.

#### Investment Management

Investment management is included in the Wealth Management Services engagement, but for clients who do not feel they would benefit from a comprehensive, ongoing financial planning arrangement, SageOak also offers investment management services on a standalone basis.

This ongoing engagement will likely entail developing an investment policy statement outlining the client's goals, time horizon, liquidity needs, risk tolerance and other factors that serve as a guide for the investment plan moving forward. After the client has established any necessary accounts with third-party custodians, SageOak will assist with the organization of account paperwork and continue with the development and implementation of the client's long-term investment plan. This ongoing process will typically involve meeting with the client regularly, such as quarterly, but no less than annually, depending upon the needs and desires of the client. Investment Management clients may also obtain financial planning services through a separate agreement.

Due to SageOak's independent and fee-only structure, we will **never** accept referral fees, 12b-1 fees, commissions, or other forms of compensation from third parties. This means you will always receive independent, objective, and honest investment advice.

### **Use of Third-Party Money Manager**

When suitable, we may utilize the services of third-party investment advisers ("Money Managers") to assist with the management of client accounts. Our review process and analysis of Money Managers is further discussed in Item 8 of this Brochure.

### **Financial Planning**

Financial Planning is included in the Wealth Management Services engagement, but SageOak may also arrange financial planning engagements on a one-time or ongoing basis. This type of engagement is geared towards clients who desire one-time or ongoing financial planning advice. In the event of a one-time engagement, SageOak will typically provide financial advice to clients who may have one or more specific questions related to a client's financial life, such as "How much do I need to retire?" or "How much should I save for my children's college?" In these one-time engagements, SageOak does not provide any assistance or ongoing advice in relation to the implementation of the plan or recommendations discussed (with the exception of annual tax preparation) and the relationship is terminated when the final recommendations are presented to the client.

In an ongoing financial planning engagement, SageOak will typically provide a more comprehensive evaluation of the client's needs, including recommendations for the development and implementation of the client's long-term financial plan. This ongoing process will typically involve meeting with the client regularly, such as quarterly, but no less than annually, depending upon the needs and desires of the client.

Both one-time and ongoing Financial Planning clients may obtain Investment Management services through a separate agreement.

### **Pontera Services**

Pontera is the third-party service provider whereby SageOak provides an additional service for accounts not directly held with our recommended custodian, but where SageOak does have discretion and leverages an Order Management System to implement asset allocation or rebalancing strategies on behalf of the Client. These are primarily 401(k) accounts, 403(b) accounts, variable annuities, and other assets not held with the recommended custodian. SageOak regularly reviews the current holdings and available investment options in these accounts, monitors the account, rebalances, and implements our firm's strategies, as necessary. SageOak is engaged with Pontera, an unaffiliated entity, to offer this service to our Clients.

### **Institutional Advisory Services**

SageOak offers Institutional Advisory Services to business entities, charitable organizations, trusts, estates, 401(k) plans, and other similar entities. These engagements are typically related to investment management consulting and may include ERISA 3(21) or 3(38) fiduciary services, employee education,

coordination of other service providers, investment selection and monitoring, and a variety of other services, depending on the needs and desires of the client.

### **Educational Services**

In addition to the services listed above, SageOak may occasionally provide clients and prospective clients with access to electronic newsletters, a blog, educational seminars/workshops, and other forms of non-personalized financial planning and wealth management advice. These additional services are provided free of charge to prospective and current clients.

### **Retirement Account Advice**

When we provide investment advice to you regarding the rollover or transfer of your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **Client Tailored Services and Client Imposed Restrictions**

We tailor the delivery of our services to meet the individual needs of our Clients. We consult with Clients initially and on an ongoing basis, through the duration of their engagement with us, to determine risk tolerance, time horizon and other factors that may impact the Clients' investment and/or planning needs.

Clients are able to specify, within reason, any restrictions they would like to place as it pertains to individual securities and/or sectors that will be traded in their account. All such requests must be provided to SageOak in writing. SageOak will notify Clients if they are unable to accommodate any requests.

### **Wrap Fee Programs**

SageOak does not participate in wrap fee programs..

### **Assets under Management**

As of December 31, 2023, SageOak manages approximately \$129,146,139 on a discretionary basis and \$0 on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

SageOak is compensated on a strictly fee-only basis. This means that the only compensation we receive are fees paid directly to SageOak by our clients. Please see below for the fee schedule regarding the different client engagements SageOak offers. SageOak reserves the right to negotiate or waive any of its fee schedules at the sole discretion of the firm's principal(s) and/or based upon the circumstances and dynamics of the client relationship. As a result, client relationships may exist in which fees are higher or lower than the fee schedules below.

### **Wealth Management Services**

Fees for Wealth Management clients are based on a percentage of the client's total net worth and are calculated by applying the fee schedule below to each client's net worth at the inception of the relationship. For investment

accounts, bank accounts, and other similarly liquid assets, the advisor will use account statements from the custodian and/or account balance information provided by the client for fee calculation purposes. For assets that are illiquid and/or hard to value, such as with a closely held business, the advisor and the client will determine a mutually agreeable estimate to be used for fee calculation purposes. Fees are adjusted annually thereafter, using mutually agreed upon asset values. There is typically a minimum quarterly fee based on the nature and complexity of the engagement. In addition to the quarterly fee, there is a one-time, upfront initial planning fee that is also based on the nature and complexity of the engagement. Fees are calculated once a year and billed in quarterly installments, in advance. If an engagement is terminated during a calendar quarter, the fee will be prorated for the final period and any fees paid in advance will be refunded. Clients may pay fees by having them deducted from an advisory account in which the client has authorized SageOak to deduct such fees. In limited circumstances, clients may pay advisory fees by check, electronic ACH transaction, or credit card.

<b>Annual Fee</b>	<b>Net Worth</b>
0.75%	On the first \$500,000
0.50%	On the next \$4,500,000
0.25%	On the next \$5,000,000
0.10%	On the amount above \$10,000,000

## **Investment Management**

Fees for Investment Management clients are based on a percentage of the client's Household Account Value according to the fee schedule below. For purposes of "Household Account Value," accounts will be combined with others' accounts of the client's immediate or non-immediate household. The total value of the Household Account Value upon which such fees are calculated shall be based on the previous quarter ending balance for those assets that have a readily ascertainable market value as valued by the custodian. If an engagement commences other than at the beginning of a calendar quarter, the quarterly charge will be prorated based on Household Account Value at inception. If an engagement is terminated during a calendar quarter, the fee will be prorated for the final period and any fees paid in advance will be refunded. Any positions excluded from billing will also be excluded when calculating tier values listed below. Clients may pay fees by having them deducted from an advisory account in which the client has authorized SageOak to deduct such fees. In limited circumstances, clients may pay advisory fees by check, electronic ACH transaction, or credit card.

<b>Annual Fee</b>	<b>Household Account Value</b>
1.65%	\$0 - \$250,000
1.40%	\$250,001 - \$500,000
1.25%	\$500,001 - \$750,000
1.10%	\$750,001 - \$1,000,000
0.95%	\$1,000,001 - \$1,500,000
0.85%	\$1,500,001 - \$2,000,000
0.75%	\$2,000,001 - \$5,000,000
Negotiable	\$5,000,001+

## **Use of Third Party Money Manager**

In the event SageOak utilizes a third party money manager (Money Manager) to assist in the management of client account(s), the Money Manager's fees are separate and not included in our advisory fee disclosed above. The Money Manager's advisory fees, billing schedule, and payment procedures are set forth in their separate written disclosure documents, advisory agreements, and/or the account opening documents of your account Custodian.

## **Financial Planning**

Fees for Financial Planning clients depend on the nature and complexity of the engagement. One-time engagements involve a project-based fee, while ongoing engagements involve a one-time, upfront planning fee and an ongoing fee that can be paid monthly or quarterly. Fees for one-time engagements are paid in arrears upon

completion of the project, while fees for ongoing engagements are paid in advance. Fees may be paid by check, electronic ACH transaction, or credit card.

### **Institutional Advisory Services**

Fees for Institutional Advisory clients are based on a percentage of the client's plan/account size according to the fee schedule below. Fees are billed quarterly in advance based on the value of the client's plan/account size as of the previous quarter ending balance. If an engagement commences other than at the beginning of a calendar quarter, the quarterly charge will be prorated based on the plan/account size at inception. There is typically a minimum quarterly fee based on the nature and complexity of the engagement. In addition to the quarterly fee, there is a one-time, upfront initial setup fee that is also based on the nature and complexity of the engagement. If an engagement is terminated during a calendar quarter, the fee will be prorated for the final period and any fees paid in advance will be refunded. Clients may pay fees by having them deducted from their plan/account in cases where the client has authorized SageOak to deduct such fees. Alternatively, clients may pay advisory fees directly by check, electronic ACH transaction, or credit card.

<b>Annual Fee</b>	<b>Total Plan/Account Size</b>
0.75%	On the first \$500,000
0.50%	On the next \$4,500,000
0.25%	On the next \$5,000,000
0.10%	On the amount above \$10,000,000

### **Pontera Services**

All clients engaging in Pontera Services must engage in a Pontera Client Service Agreement. The total value of account(s) using Pontera under our management will be included in the fee schedule for either Wealth Management or Investment Management services, as applicable. As it is impossible to directly debit the fees from held-away accounts, such as 401(k)s and others managed "in place" using Pontera, those fees will be assigned to the client's taxable accounts or invoiced directly to the client.

### **Third-Party Expenses and Other Fees**

All of SageOak's fees exclude any transaction fees or commissions that may be charged separately by the client's brokerage firm or custodian. See the section titled "Item 12 – Brokerage Practices" for further information. Mutual funds, exchange-traded funds (ETFs), and other similar investments may charge their own fees, often referred to as an "expense ratio." In addition, clients may incur additional fees while working with other service professionals (i.e. accountants, attorneys, insurance agents, etc.). Due to SageOak's fee-only structure, SageOak receives no portion of any third-party fees.

### **Termination of Agreement**

Either the client or SageOak may terminate the engagement at any time, upon written notice to the other party. Fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate. Prepaid fees that have not yet been earned will be promptly refunded, and any earned, unpaid fees will be immediately due. SageOak and its management reserve the right to terminate any client relationship where a client has concealed or refused to provide pertinent information about their financial situation when necessary and appropriate, in SageOak's judgment, to provide proper advice.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

SageOak does **not** charge any performance-based fees (i.e. fees based on a share of capital gains on or capital appreciation of the assets of the client) or engage in side-by-side management.



## Item 7 – Types of Clients

### Description

SageOak offers its services primarily to individuals, including high net worth individuals, businesses, working professionals, business owners, near/current retirees, and their families. Client relationships vary in scope and length of service, depending upon the individual needs of the client.

### Account Minimums

Although SageOak does not have a minimum asset value or account size, we reserve the right to impose a minimum fee, depending on the nature and complexity of each client engagement. SageOak reserves the right to waive or lower a client's minimum fees at any time, depending upon the dynamics of the client relationship or as otherwise determined by the firm principal. For more information on fees and how they are calculated, see the section titled "Item 5 – Fees and Compensation" in this brochure.

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

### Methods of Analysis

SageOak primarily designs and implements portfolios based upon the well-researched premise and theory that capital markets are efficient over periods of time and that an investor's return is primarily due to the asset allocation decision (i.e. how much to invest in stocks vs. bonds vs. other types of assets). This theory and strategy involves predominantly utilizing low cost, tax efficient investment vehicles such as passively managed mutual funds and exchange traded funds (ETFs) and holding them over long periods of time and in a tax efficient manner. To determine the specific portfolio asset allocation for a client's account, SageOak may take into account various factors including, but not limited to, a client's goals, liquidity needs, time horizon, income, tax levels, and risk tolerance.

SageOak utilizes various third-party sources for investment research that may include Morningstar, Standard and Poor's, financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, and various national and international financial publications and websites.

We may use some or all of the following methods of analysis in providing investment advice to you:

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical analysis - is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### Investment Strategies

Depending on the client, investment strategies utilized include:

Model Portfolios - Depending on your asset level, investment needs, and other factors, we may implement our investment strategy through the use of certain model portfolios designed by our firm ("Model Portfolios"). The

Model Portfolios and investment strategies we utilize have generally been designed to meet a particular investment objective for investors with varying degrees of risk tolerance, ranging from a more aggressively allocated portfolio to a more conservative approach. Factors that we take into consideration when determining whether any particular Model Portfolio or investment strategy is appropriate for your account include, without limitation, the Model Portfolio or investment strategy's investment goal, underlying holdings, and your financial needs, investment goals, risk tolerance, and investment objectives. Investment selection, individual security performance, and overall market dynamics and economic cycles may drive unforeseeable shifts in the performance of any model portfolio which may result in loss of principal.

Passive and Active Investment Management - We may choose investment vehicles that are considered passive, active, or a combination of both styles.

Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio.

Active investing involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Actively managed funds are also designed to reduce volatility and risk.

We may engage in both passive and active investing in Client's portfolio. However, we strive to construct portfolios of funds and individual securities that we believe will have the greatest probability for achieving our Clients' personal financial goals with the least amount of volatility and risk rather than attempt to outperform an arbitrary index or benchmark.

Specific investment selections are based on a number of factors that we evaluate in order to select, what we believe to be, the highest quality funds or individual securities for our Clients. These factors may include but are not limited to underlying holdings of funds, percentage weighting of holdings within funds, liquidity, tax efficiency, bid/ask spreads, and other smart/strategic beta factors. These factors may or may not result in the lowest cost ETFs and mutual funds available when utilizing funds in a Client's portfolio, but we strive to keep internal fund expenses as low as possible.

Use of Money Managers - We may refer Clients to Third Party Investment Advisers or advisory programs ("Money Managers"). Our analysis of Money Managers involves the examination of the experience, expertise, investment philosophies, and past performance of the Money Manager in an attempt to determine if that Money Manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the Money Manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the Money Manager's compliance and business enterprise risks. A risk of investing with a Money Manager who has been successful in the past is that they may not be able to replicate that success in the future. In addition, we do not control the underlying investments in a Money Manager's portfolio or strategy. There is also a risk that a Money Manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the Money Manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

## **Risk of Loss**

**All forms of investing involve a risk of loss that clients should be prepared to bear.** In particular, an investment allocation strategy may not fully participate in sharp increases in a particular market sector, industry, or security that might be targeted in other types of investment strategies. Also, there is always the risk that the client's investment allocation could change over time due to movements in the securities markets and, if not corrected, will no longer be appropriate for the specific needs of the client. In addition to the risks involved with an asset allocation strategy, there may be other risks associated with investing in securities and/or capital markets through other strategies that SageOak may implement. These risks might include the following:

- **Systematic Risks**—These risks are inherent in the capital market “system” and cannot be diversified away:
  - **Purchasing Power Risk** – The risk here is that inflation will erode the amount of goods or services that can be purchased with the client’s investing dollars and that the client’s investments will not keep up with the level of inflation.
  - **Reinvestment Rate Risk** – This is the risk that the client will not be able to reinvest at the same rate of return that is being received by the client’s current investment.
  - **Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will negatively affect the prices of securities.
  - **Market Risk** – Market risk involves the risk that changes in the ups and downs of the securities market may take all securities in the same direction.
  - **Exchange Rate Risk** – Exchange rate risk involves the risk that changes in international exchange rates may negatively impact international securities.
- **Unsystematic Risks** – These risks are associated with a specific security or investment and can be reduced or eliminated through proper and careful diversification:
  - **Accounting Risk** – Accounting risk is the risk associated with an audit firm being too closely tied to the management of a company.
  - **Business Risk** – Business risk is the risk inherent from a company operating in a particular industry.
  - **Country Risk** – This is the risk that a company faces by doing business in a particular country.
  - **Default Risk** – Default risk is the risk that a company will default on its debt payments.
  - **Executive Risk** – This risk refers to the possibility that those running the company may not do so in an ethical or moral manner, hurting the value of the company.
  - **Financial Risk** – Financial risk is the risk that the company is too highly leveraged. Financial leverage is the amount of debt the firm deploys in relation to its equity. The higher the percentage of debt, the more risk.
  - **Government/Regulation Risk** – This is the risk that restrictions and/or tariffs might be placed on an industry or firm that would impact its ability to effectively compete in the marketplace.

### **Risk Related to Certain Types of Securities We Primarily Recommend**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

- **Common stocks** may go up and down in price quite dramatically, and in the event of an issuer’s bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.
- **Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity.

Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

- **Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.
- **Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the clients invest.
- **Values-based Investing:** If you request your portfolio to be invested according to socially conscious, values, and/or faith-based principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.
- **Mutual Funds** When a client invests in open-end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## Item 9 – Disciplinary Information

SageOak is required to disclose the facts of any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Neither SageOak nor any of its personnel have any required disclosures applicable to this item.

## Item 10 – Other Financial Industry Activities and Affiliations

### Other Financial Industry Activities

Neither SageOak nor any of its personnel or management persons are registered, or have an application pending to register, as a broker-dealer or as a registered representative of a broker-dealer. In addition, neither SageOak nor any of its personnel or management persons are registered or have an application pending to register, as a

futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

## **Affiliations**

As client situations dictate, SageOak may provide referrals to other service professionals such as attorneys, insurance agents, accountants, real estate agents, etc. as a value-added service to our clients. SageOak, however, does **not** accept or pay referrals to any of these or any other third-parties. Clients are not required to use a particular service provider SageOak may recommend. Clients are free to use whomever they please in regards to these outside services or service providers that are regularly utilized in the financial planning and wealth management process.

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

### **Code of Ethics**

SageOak has adopted a Code of Ethics (the “Code”) in adherence to Rule 204A-1 of the Investment Advisers Act of 1940. Additionally, SageOak adheres to the NAPFA Code of Ethics and Fiduciary Oath. These set forth the policies of ethical and moral conduct all employees and associated persons of the firm are expected to follow. We strive to remain above reproach in our business practices and dealings with clients, prospective clients, and anyone else we may come into contact with through our business. Clients may request a copy of our Code or NAPFA’s Code of Ethics and Fiduciary Oath by contacting us at [info@sageoakfinancial.com](mailto:info@sageoakfinancial.com).

### **Participation or Interest in Client Transactions**

SageOak does not recommend that clients buy or sell any security in which a related person to SageOak has a material financial interest.

### **Personal Trading**

On occasion, SageOak and/or its employees may buy or sell securities (i.e., mutual funds, ETFs, stocks, etc.) that we also recommend to clients. If there is ever a conflict of interest related to this between SageOak or one of its employees and a client, we will disclose that fact to the client. Since most employee trades are small in relation to the size of the market for the typical types of securities we recommend, these trades are highly unlikely to have a material effect on the price or movement of the securities. Our Code of Ethics requires that we purchase or sell securities for our clients’ accounts, if suitable and appropriate, before purchasing or selling any of the same securities for any accounts owned by us or our access persons. The only exception to this policy is where our firm or its access persons’ transactions are bundled in an aggregate (“block”) trade simultaneously with client accounts. More information on our block trading policies can be found in Item 12 of this Brochure. This policy is not applicable to securities where no conflict of interest exists, such as shares of mutual funds that are equally priced daily. All personal securities transactions made by Access Persons are reviewed by our firm’s CCO on at least a quarterly basis.

## **Item 12 – Brokerage Practices**

### **Selecting Brokerage Firms**

SageOak does not require that clients use a particular custodian for their assets. We do recommend certain qualified custodians based on the client’s need for such services. In recommending a custodian/broker-dealer, SageOak will comply with its fiduciary duty and the Securities Exchange Act of 1934 to obtain “best execution.” Our recommendations may be based on quantitative and/or qualitative factors of the custodians such as price, the reputation of the custodians, ease of use, quality and speed of execution, research capabilities, and their information technology resources provided to the client and/or SageOak. In recognition of the value of research services and additional brokerage products and services provided by these custodians, clients may pay higher commissions and/or trading costs than those that may be available elsewhere.

With this in consideration, our firm recommends Charles Schwab & Co., Inc. ("Schwab"), member FINRA/SIPC. Although clients may request us to use a broker-dealer of their choosing, we generally recommend that clients open brokerage accounts with Schwab. The Client will ultimately make the final decision of the Custodian to be used to hold the Client's investments by signing the selected broker-dealer's account opening documentation.

Clients may pay transaction fees and other fees to their custodian or brokerage firm for the purchase of securities or for account maintenance. **SageOak is independently owned and operated and is not affiliated with any custodian and does not receive any commissions or fees from recommending or in connection with these services.** SageOak is a fee-only financial advisory firm. The only form of compensation we receive are fees paid by you, the client, as detailed previously in "Item 5 – Fees and Compensation" of this brochure.

## **Research and Other Benefits**

We do not have any soft-dollar arrangements with broker-dealers whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. Although SageOak does not consider it material when determining whether to recommend that a client utilize certain custodians, SageOak may receive certain benefits from a custodian or brokerage firm in the form of research or brokerage services that may not benefit a specific client. These services may include software and other technology that provide access to account data, compliance or practice management related publications and/or events, marketing support, and/or other services used by SageOak to run its advisory business and provide advisory services to clients.

While SageOak will always act in the clients' best interests, our recommendations that clients maintain assets at a particular custodian may be influenced in part on the benefit we receive from some of the aforementioned products and/or services. This may create a potential conflict of interest that needs to be disclosed. SageOak understands its duty for best execution and considers all factors in making recommendations to clients. While the custodian(s) SageOak recommends to clients may not always have the lowest commission rate, SageOak believes the rate is reasonable in relation to the value of the brokerage and research services provided. As a reminder, clients are welcome to choose to custody their assets with any custodian or broker-dealer of their choosing, regardless of SageOak's recommendations.

## **Brokerage for Client Referrals**

SageOak does **not** receive client referrals, compensation, or revenue from any broker-dealer or third-party in exchange for using that broker-dealer, custodian, or third party.

## **Clients Directing Brokerage**

As mentioned previously, SageOak recommends certain qualified custodians based on the client's need for such services. Clients, however, are free to direct brokerage to a specified custodian or brokerage firm other than those recommended by SageOak. As a result, if clients choose to direct brokerage to a different custodian or brokerage firm than is recommended by SageOak, clients may be unable to achieve the most favorable execution of client transactions.

## **Aggregated Trading for Multiple Client Accounts**

When appropriate, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). Before aggregating client orders, we document the participating accounts and the allocation instructions. We submit allocation instructions to the broker-dealer before the market closes on the day of the order. We allocate aggregated orders to client accounts at the average price obtained. We allocate partially filled orders pro-rata based on the size of the order placed by each account. If we judge that we cannot or should not allocate a partially filled order pro-rata (e.g., if the quantity of securities obtained is too small or would not have a material impact if distributed among each account), then we apply the following procedures:

- We allocate the order to client accounts only (i.e., no employees that participated in the order may receive any allocation); and
- We document our allocation decision.

## Item 13 – Review of Accounts

### Reviews

For Wealth Management clients, portfolio and financial plan reviews are typically conducted quarterly, but no less than annually. For Investment Management and Institutional Advisory clients, portfolio reviews are typically conducted quarterly, but no less than annually. The underlying securities within client accounts are continuously monitored for performance. Specific client accounts are reviewed to ensure appropriateness of portfolio holdings and transactions in light of the client account's investment objective, guidelines, and restrictions, and changes in market condition. . Reviews are conducted by investment adviser representative(s) who are primarily responsible for overseeing the client's account. Currently our investment adviser representative(s) are Tyler A. Gray, Steven W. Ellis, and Stan Rickner. More information about our representatives can be found in their individual Form ADV Part 2B, Brochure Supplement. If you do not know who your primary representative is or if you did not receive their respective Brochure Supplement, then please contact Tyler Gray, CCO at the number listed on this Brochure.

Reviews may take place more frequently due to changes in circumstances including, but not limited to, the client's individual situation, the state of the current economic or political environment, market conditions, or at the request of the client.

For Financial Planning clients engaging SageOak on a one-time basis, the client's situation is reviewed at a particular moment in time and recommendations are given regarding the client's situation at that moment in time. These clients do not receive ongoing or continuous supervisory services of their investment accounts; therefore, no reviews are conducted. We recommend these clients engage us on at least an annual basis to update their financial plans, but SageOak is **not** responsible for the implementation of the recommendations set forth in these plans. For ongoing Financial Planning engagements, financial plan reviews are typically conducted on a quarterly or semi-annual basis.

### Reports

Clients may receive standard account statements from investment sponsors and brokerage firms. Clients may also receive periodic communications from SageOak. Reports and communication received may include, but are not limited to, investment allocation information, performance summaries and reports, and net worth statements. When clients are provided with net worth statements and/or net worth graphs from SageOak, these statements may contain estimates of certain account balances provided by the client, as well as an estimated value of hard to price real estate and other illiquid investments. These net worth statements or graphs are used for long-term planning where the precise values of assets are not material to the financial planning process.

## Item 14 – Client Referrals and Other Compensation

From time to time, current clients, friends and family of employees, and other individuals such as accountants, attorneys, and other service professionals may refer individuals to SageOak. Due to the nature of SageOak's fee-only structure, SageOak does **not** compensate third-parties for these referrals or any other client referrals. Likewise, SageOak is **not** compensated by other professionals for any client referrals SageOak may refer to these other professionals. SageOak does **not** receive any compensation from any third-party in connection with providing financial planning or investment advice to our clients. SageOak's sole compensation is obtained directly from fees paid by clients.

## Item 15 – Custody

### Custody

SageOak is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have custody where SLOAs are on file.

With the exception of our ability to directly debit fees as outlined in Item 5, we do not hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them. All client assets are held at the qualified Custodian.

### Account Statements

Clients will receive account statements from their brokerage firm or other qualified custodian on at least a quarterly basis. Client is urged to compare custodial account statements against any statements prepared by SageOak for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

## Item 16 – Investment Discretion

SageOak accepts discretionary authority to manage securities accounts on behalf of the client. In these situations, SageOak has the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of securities to be bought or sold within a client's account. In instances where SageOak has discretionary authority, this authority is to be exercised in a manner consistent with the investment objectives, limitations, and restrictions based upon the investment policy agreed upon by the client. Clients must sign a limited power of attorney and/or a trading authorization form(s) before discretionary authority is granted to SageOak on behalf of the client's account.

## Item 17 – Voting Client Securities

As a matter of firm policy, SageOak does **not** vote proxies. Clients will receive proxy materials directly from the issuer of the security or the custodian. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

## Item 18 – Financial Information

SageOak does **not** solicit prepayment of more than \$1,200 in advisory fees per client, six or more months in advance. In addition, SageOak and its management do **not** have any financial conditions that are likely to impair our ability to meet contractual commitments to clients and have **never** been the subject of a bankruptcy petition.