



# **Oder Investment Management, LLC**

21300 Victory Blvd., Suite 855  
Woodland Hills, CA 91367  
(818) 676-0036

[Info@OderLLC.com](mailto:Info@OderLLC.com)

[www.OderLLC.com](http://www.OderLLC.com)

## **Form ADV, Part 2A Brochure**

February 25, 2019

This brochure provides information about the qualifications and business practices of Oder Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Oder Investment Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. Additional information about Oder Investment Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our CRD number is 134506.

## **ITEM 2 - MATERIAL CHANGES**

The purpose of this page is to inform you of material changes since the previous annual update to our brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

Oder Investment Management, LLC ("OIM") reviews and updates our brochure at least annually to confirm that it remains current. We have not made material changes since the previous annual update to our previous brochure, dated February 25, 2019.

## ITEM 3 - TABLE OF CONTENTS

<b>ITEM 1 – COVER PAGE .....</b>	<b>1</b>
<b>ITEM 2 - MATERIAL CHANGES.....</b>	<b>2</b>
<b>ITEM 3 - TABLE OF CONTENTS.....</b>	<b>3</b>
<b>ITEM 4 - ADVISORY BUSINESS.....</b>	<b>5</b>
Who we are.....	5
Services we offer.....	5
Tailored Services and Client Imposed Restrictions .....	7
Wrap Fee Programs.....	7
Assets Under Management.....	7
<b>ITEM 5 - FEES AND COMPENSATION .....</b>	<b>7</b>
Compensation .....	7
Billing Method.....	8
Other Costs Involved.....	8
Termination.....	8
Other Compensation.....	8
<b>ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>8</b>
<b>ITEM 7 - TYPES OF CLIENTS .....</b>	<b>9</b>
<b>ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....</b>	<b>9</b>
Methods of Analysis for Selecting Securities .....	9
Specific Security Risks .....	11
<b>ITEM 9 - DISCIPLINARY INFORMATION.....</b>	<b>18</b>
<b>ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....</b>	<b>18</b>
<b>ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....</b>	<b>18</b>
Code of Ethics.....	18
<b>ITEM 12 - BROKERAGE PRACTICES .....</b>	<b>19</b>
The Custodian and Brokers We Use.....	19
Aggregation of Orders.....	21
Directed Brokerage .....	23
Soft Dollars.....	23
<b>ITEM 13 - REVIEW OF ACCOUNTS.....</b>	<b>23</b>
Managed Account Reviews .....	23
Account Reporting .....	23
<b>ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION.....</b>	<b>24</b>
Solicitors.....	24
Outside Compensation.....	24
<b>ITEM 15 - CUSTODY .....</b>	<b>24</b>
<b>ITEM 16 - INVESTMENT DISCRETION .....</b>	<b>25</b>
<b>ITEM 17 - VOTING CLIENT SECURITIES.....</b>	<b>25</b>
<b>ITEM 18 - FINANCIAL INFORMATION .....</b>	<b>26</b>
<b>Form ADV, Part 2B Brochure Supplement .....</b>	<b>i</b>
ITEM 1 - COVER PAGE .....	i
<b>JOSHUA ODER.....</b>	<b>ii</b>

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.....	ii
ITEM 3 - DISCIPLINARY INFORMATION .....	ii
ITEM 4 - OTHER BUSINESS ACTIVITIES .....	ii
ITEM 5 - ADDITIONAL COMPENSATION .....	ii
ITEM 6 - SUPERVISION .....	ii
<b>STEVEN ZORN .....</b>	<b>iii</b>
ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.....	iii
ITEM 3 - DISCIPLINARY INFORMATION .....	iii
ITEM 4 - OTHER BUSINESS ACTIVITIES .....	iii
ITEM 5 - ADDITIONAL COMPENSATION .....	iii
ITEM 6 - SUPERVISION .....	iii
<b>ERIK HELMSTETTER .....</b>	<b>iv</b>
ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.....	iv
ITEM 3 - DISCIPLINARY INFORMATION .....	v
ITEM 4 - OTHER BUSINESS ACTIVITIES .....	v
ITEM 5 - ADDITIONAL COMPENSATION .....	v
ITEM 6 - SUPERVISION .....	v
<b>PRIVACY POLICY.....</b>	<b>A</b>

## ITEM 4 - ADVISORY BUSINESS

### Who we are

Oder Investment Management, LLC (referred to as “we,” “our,” “us,” or “OIM”), has been registered as an investment adviser since March 1999. Our principal officer is Joshua K. Oder, Managing Member.

### Services we offer

OIM is a registered investment advisory firm dedicated to building and preserving wealth for individuals, families, trusts, and foundations. We provide a unique combination of financial planning and investment management expertise with a commitment to the highest quality personal service. Personal attention is at the heart of our service. As a high service, advice-driven firm, clients have direct access to our principals. We understand the importance of communicating plainly and clearly and are always available to answer clients’ questions. We frequently consult with our clients over the phone and in personal meetings to review their financial situations and investment strategies.

#### Investment Management Services

OIM offers advice to clients regarding asset allocation and the selection of investments. Our investment management services include designing, implementing, and continued monitoring of client accounts. OIM generally invests accounts on a fully discretionary basis, limited only by the client’s individual needs and any restrictions imposed on the account.

OIM will primarily utilize the following investment types when making investment recommendations/purchases in client accounts:

1. Equity securities, such as stocks and foreign securities listed on US exchanges (ADRs) and/or foreign exchanges (ordinaries)
2. Fixed income securities, such as corporate bonds and commercial paper
3. Municipal securities
4. U.S. government securities
5. Mutual funds
6. Exchange traded funds (ETFs)
7. Closed-end funds
8. Money market funds and cash

Additionally, OIM’s investment recommendations/ selections, depending on the individual investment objectives and needs of the client may include:

1. Real estate investment trusts (REITs)
2. Master limited partnerships (MLPs)
3. Treasury inflation-protected securities (TIPS)

OIM may also occasionally offer advice regarding/utilize additional types of investments if they are appropriate to address the individual needs, goals, and objectives of the client or in response to client inquiry. OIM may offer investment advice on any investment held by the client at the start of the advisory relationship. We describe the material investment risks for many of the securities that we utilize/recommend under the heading ***Specific Security Risks*** in ***Item 8*** below.

Our clients' portfolios are domiciled at Charles Schwab & Co and other brokerage firms. For each client we:

- Assess the financial situation-identify the goals and needs of the investor
- Determine the tolerance for risk and the time horizon
- Set long-term investment objectives
- Identify any restrictions on the portfolio and its assets
- Determine asset classes and mix that we deem appropriate according to the client's investment objectives and risk tolerance
- Determine the investment methodology to be used concerning investment selection, rebalancing, buy-sell disciplines, portfolio reviews and reporting, etc.
- Implement the decisions

We describe the fees charged for investment management services below under ***Item 5 - Fees and Compensation***. We discuss our discretionary authority below under ***Item 16 - Investment Discretion***. For more information about the restrictions clients can put on their accounts, see Tailored Services and Client Imposed Restrictions in this item below.

### *Financial Planning Services*

OIM may offer financial planning services as part of our overall advisory services. When utilized, these services typically include advising clients on cashflow management, risk management, estate planning, taxation, and retirement planning. However, services do not include preparation of any income tax, gift, or estate tax returns, or preparation of any legal documents.

OIM does not receive separate compensation for financial planning services.

### *Limitations on Investments*

In some circumstances, OIM's advice may be limited to certain types of securities.

#### *Limitation by Plan Sponsor/Employer*

In the event OIM is managing assets within a retirement plan such as 401(k), 403(b), or other employer plan, OIM is limited to those investment providers and investment options chosen by the plan administrator. Similarly, when we provide services to participants in an employer-sponsored plan, the participant may be limited to investing in securities included in the plan's investment options. Therefore, OIM can only select investments/make recommendations to the client from among the available options and will not recommend or invest the client's account in other securities, even if we feel there may be more suitable options elsewhere.

#### *Mutual Fund Limitations*

All clients establish brokerage accounts with Schwab Advisor Services™, a division of Charles Schwab & Co., Inc. ("Schwab"), registered broker-dealer, Member SIPC. OIM is limited to the mutual funds available through Schwab.

OIM generally limits recommendations of mutual fund selections to no load funds or load-waived equivalents.

## Tailored Services and Client Imposed Restrictions

OIM manages client accounts, as discussed below under **Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**, based on the client's individual circumstances and financial situation. We make investment decisions for clients based on information the client supplies about their financial situation, goals, and risk tolerance. Our investment selections may not be suitable if the client does not provide us with accurate and complete information. It is the client's responsibility to keep OIM informed of any changes to their investment objectives or restrictions.

Some clients do not want to have exposure to the stock market; others may want or not want to own particular stocks or bonds and can request in their investment policy statement that we avoid those areas. Clients may also request other restrictions on the account, such as when a client needs to keep a minimum level of cash in the account. OIM reserves the right to not accept and/or terminate management of a client's account if we feel that the client-imposed restrictions would limit or prevent us from meeting or maintaining the client's investment strategy.

## Wrap Fee Programs

We do not provide portfolio management services to a wrap fee program.

## Assets Under Management

OIM manages client assets in both discretionary and non-discretionary accounts on a continuous and regular basis. As of December 31, 2018, the total amount of assets under our management was:

Discretionary Assets	\$176,322,749
Non-Discretionary Assets	<u>\$ 3,653,320</u>
<b>Total Assets</b>	<b>\$179,976,069</b>

## ITEM 5 - FEES AND COMPENSATION

### Compensation

Fees are generally set at 1%. If a client has an account that will not require as much of our time because it is primarily cash or fixed income, we will negotiate a lower fee.

Some accounts are under different fee schedules honoring prior agreements. Our standard fee schedule is generally negotiable based on a number of factors, which include but are not limited to "grandfathered" accounts, related accounts, and other structures that we may consider in special situations. We also manage some family and related accounts without charge.

We require authorization to deduct our fees directly from our clients' investment accounts. Please note the following important information about the deduction of management fees:

- With client authorization, we will instruct the custodian to automatically withdraw our advisory fee from the client's account(s). Clients receive brokerage statements from the custodian no less frequently than quarterly, which show the deduction of our advisory fee.
- Clients receive a statement from the custodian, which shows holdings and transactions for the reporting period.

- Clients are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

## **Billing Method**

OIM's advisory fees are payable quarterly in advance at the beginning of each calendar quarter. We charge one fourth of the annual fee rate each quarter based on the market value of the client's portfolio as of the last day of the prior calendar quarter. The formula used for the calculation is as follows:  $(\text{Annual Rate}) \times (\text{Total Assets Under Management at Quarter-End}) / 4$ . For advisory fee calculation purposes, a calendar quarter is a period beginning on January 1, April 1, July 1, or October 1 and ending on the day before the next quarter. A day is any calendar day including weekends and holidays. For new accounts, the number of days remaining in the quarter is the number of calendar days following the funding date of the new account.

When applicable, fees billed on assets held in client accounts that receive valuations less than quarterly will be calculated using the most recent pricing data available through the Investment Sponsor and/or the client's custodian.

## **Other Costs Involved**

In addition to our advisory fee shown above, clients are responsible for paying fees associated with investing in their accounts. These fees include but are not limited to:

- Management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- Brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by the custodian and/or executing broker.

Additional information about brokerage costs and services is provided in **Item 12: Brokerage Practices**.

## **Termination**

Either party may terminate the agreement upon written notice to the other party. We will prorate the advisory fees earned through the termination date and send a refund of any prepaid, unearned portion of our management fee. We process refund payments within 30 days of the termination date and will send a check or refund to the client's investment account. In either case, we will provide a final invoice detailing the calculation of the refund. If a client terminates before asset management starts we do not charge a fee.

## **Other Compensation**

OIM does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not receive performance fees for managing accounts.



## ITEM 7 - TYPES OF CLIENTS

We generally provide discretionary investment advice to individuals, trusts, and foundations. We generally require that you open an account with us with at least \$250,000. This minimum account size may be waived at our sole discretion.

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

### Methods of Analysis for Selecting Securities

OIM's general investment strategy is to seek real capital growth proportionate with the level of risk the client is willing to take. We treat each client account uniquely. OIM assists our clients to develop an Investment Policy Statement designed in an effort to help clients attain their financial goals. This statement typically outlines the client's investment objectives, time horizon, risk tolerance, tax considerations, target asset allocation, policies for rebalancing the portfolio, frequency, and type of monitoring and reporting, and any special considerations and/or restrictions the client chooses to place on the management of the account. OIM will then recommend/utilize investments that we feel are consistent with the client's Investment Policy Statement.

OIM selects categories of investments based on the clients' attitudes about risk and their need for capital appreciation or income. Different instruments involve different levels of exposure to risk. Within each investment category, OIM seeks to select individual securities with characteristics that we believe are consistent with the client's objectives. We deal with any client restrictions on an account-by-account basis.

Since OIM treats each client account uniquely, client portfolios with a similar investment objectives and asset allocation goals often own different securities. Timing and tax factors also influence OIM's investment decisions. Clients who buy or sell exchange-listed securities on the same day generally receive different prices when transactions are not aggregated.

Our investment management style will impact performance. This portfolio will be managed using a combination of both active and passive management styles, based on the belief that while passive (index-based) investment management is well-diversified and effective in some parts of the markets, not all parts of all markets are well suited to the passive approach. In those areas OIM deems as less efficient, we generally pick stocks and bonds or may choose to try to pick those managers that we feel show proficiency in these areas. Account performance will vary based on the skill of selection as well as the overall markets.

### General Investment Strategies

We believe that investing globally helps to minimize overall portfolio risk due to the imperfect correlation between economies of the world. Investing globally has also been shown historically to enhance portfolio returns, although there is no guarantee that it will do so in the future.

We also believe that equities offer the potential for higher long-term investment returns than cash or fixed income investments. Equities are also more volatile in their performance. Investors seeking higher rates of return must increase the proportion of equities in their portfolio, while at the same time accepting greater variation of results (including occasional declines in value).

Picking individual securities and timing the purchase or sale of investments in the attempt to “beat the market” are highly unlikely to increase long-term investment returns; they also can significantly increase portfolio operating costs. Such practices are, therefore, to be avoided. Given these tenets, the underlying approach to managing this Policy shall be to optimize the risk-return relationship appropriate to Investor’s needs and goals. The Policy will be diversified globally employing a variety of asset classes. Mutual funds or managed portfolios will be employed to implement the portfolio and the chosen asset classes will be periodically re-balanced to maintain a more consistent risk/reward profile. In managing investment assets, every adviser has a unique style.

We primarily recommend stocks, bonds, mutual funds, and exchange traded funds. All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

OIM generally uses Modern Portfolio Theory when making investment recommendations in client accounts.

#### Modern Portfolio Theory

As recognized by the 1990 Nobel Prize, will be the philosophical foundation for how the portfolio will be structured and how subsequent decisions will be made. The underlying concepts of Modern Portfolio Theory include:

- Investors are risk averse. The only acceptable risk is that which is adequately compensated by potential portfolio returns.
- Markets are efficient. It is virtually impossible to anticipate the future direction of the market as a whole or of any individual security. It is, therefore, unlikely that any portfolio will succeed in consistently “beating the market.”
- The design of the portfolio as a whole is more important than the selection of any particular security within the portfolio. The appropriate allocation of capital among asset classes (stocks, bonds, cash, etc.) will have far more influence on long-term portfolio results than the selection of individual securities. Investing for the long term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- For a given risk level, an optimal combination of asset classes will maximize returns. Diversification helps reduce investment volatility. The proportional mix of asset classes determines the long-term risk and return characteristics of the portfolio as a whole.
- Portfolio risk can be decreased by increasing diversification of the portfolio and by lowering the correlation of market behavior among the asset classes selected. (Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another).

In addition, we frequently use fundamental and/or technical analysis in the selection of individual equity securities.

## Fundamental Analysis

Fundamental analysis typically involves analysis of corporate financial statements, management presentations, specialized research publications, and general news sources.

## Technical Analysis

The effectiveness of technical analysis depends upon the accurate forecasting of major price moves or trends in the securities traded by OIM. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernable trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

## **Specific Security Risks**

### General Risks of Owning Securities

The prices of securities held in client accounts and the income they generate can decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations also affect security prices and income.

### Equity Securities

Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of stocks and the income they generate (such as dividends) fluctuate based on events specific to the company that issued the shares, conditions affecting the general economy and overall market changes, changes or weakness in the business sector the company does business in, and other factors. Further, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

There may be little trading in the secondary market for particular equity securities, which can potentially adversely affect the ability to dispose of those equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, can decrease the value and/or liquidity of equity securities.

### Small Capitalization Equity Securities

Investing in smaller companies often poses additional risks as it is often more difficult to dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks are typically more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

### Debt Securities (Bonds)

Issuers use 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 such factors 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.

Certain additional risk factors relating to debt securities include:

#### Reinvestment Risk

When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.

#### Inflation Risk

Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.

#### Interest Rate and Market Risk

Debt securities are sensitive to economic changes, political and corporate developments, and interest rate changes. Investors can also expect periods of economic change and uncertainty, which can result in increased volatility of market prices and yields of certain debt securities. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

#### Call Risk

Debt securities may contain redemption or call provisions entitling their issuers to redeem them at a specified price on a date prior to maturity. If an issuer exercises these provisions in a lower interest rate market, the account would have to replace the security with a lower yielding security, resulting in decreased income to investors.

Usually, a bond is called at or close to par value. This subjects investors that paid a premium for their bond to a risk of lost principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called.

#### Credit Risk

If the issuer of a debt security defaults on its obligations to pay interest or principal or is the subject of bankruptcy proceedings, the account will generally incur losses or expenses in seeking recovery of amounts owed to it.

#### Liquidity and Valuation Risk

There may be little trading in the secondary market for particular debt securities, which can potentially affect adversely the account's ability to value accurately or dispose of such debt securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, can decrease the value and/or liquidity of debt securities.

It may be possible to reduce the risks described above through diversification of the client's portfolio and by credit analysis of each issuer, as well as by monitoring broad economic trends and corporate and legislative developments, but there can be no assurance that we will be successful in doing so. Credit ratings for debt securities provided by rating agencies reflect an evaluation of the safety of principal and interest payments, not market value risk. The rating of an issuer is a rating agency's view of past and future potential developments related to the issuer and may not necessarily reflect actual outcomes. There can be a lag between the time of developments relating to an issuer and the time a rating is assigned and updated.

## Municipal Bonds

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. Investing in municipal bonds carries risk unique to these types of bonds, which may include:

### Legislative Risk

Legislative risk includes the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income.

### Tax-Bracket Changes

Municipal bonds generate tax-free income, and therefore pay lower interest rates than taxable bonds. Investors who anticipate a significant drop in their marginal income-tax rate will generally benefit from the higher yield available from taxable bonds.

### Liquidity Risk

Liquidity risk is the risk that investors may have difficulty finding a buyer when they want to sell and will be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer. Municipal bonds can sometimes be less liquid than other bonds.

### Credit Risk

Credit risk includes the risk that a borrower will be unable to make interest or principal payments when they are due and therefore default. To reduce investor concern, insurance policies that guarantee repayment in the event of default back many municipal bonds.

### Alternative Minimum Tax (AMT)

OIM invests in a variety of fixed income securities for clients. We seek to limit or avoid municipal bonds subject to AMT. For those accounts seeking preservation of capital and current income exempt from taxation.

## Obligations Backed by the "Full Faith and Credit" of the U.S. Government

U.S. government obligations include the following types of securities:

### U.S. Treasury Securities

U.S. Treasury securities include direct obligations of the U.S. Treasury, such as Treasury bills, notes, and bonds. For these securities, the U.S. government unconditionally guarantees the payment of principal and interest, resulting in the highest possible credit quality. Fluctuations in interest rates subject U.S. Treasury securities to variations in market value. However, they are paid in full when held to maturity.

### Federal Agency Securities

Certain U.S. government agencies and government-sponsored entities guarantee the timely payment of principal and interest with the backing of the full faith and credit of the U.S. government. Such agencies and entities include The Federal Financing Bank (FFB), the Government National Mortgage Association

(Ginnie Mae), the Veterans Administration (VA), the Federal Housing Administration (FHA), the Export-Import Bank (Exim Bank), the Overseas Private Investment Corporation (OPIC), the Commodity Credit Corporation (CCC) and the Small Business Administration (SBA).

#### Other Federal Agency Obligations

Additional federal agency securities neither are direct obligations of, nor guaranteed by, the U.S. government. These obligations include securities issued by certain U.S. government agencies and government-sponsored entities. However, they generally involve some form of federal sponsorship: some operate under a government charter; specific types of collateral back some; the issuer's right to borrow from the Treasury supports some; and only the credit of the issuing government agency or entity supports others. These agencies and entities include, but are not limited to, the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and the Tennessee Valley Authority and Federal Farm Credit Bank System. Bond rating agencies often assign modifiers (such as +/-) to ratings categories to signify the relative position of a credit within the rating category. Unless we state otherwise, clients should include any security within that category without considering the modifier when reading their investment policies based on ratings categories.

#### Mutual Funds (Open-end Investment Company)

A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase.

The benefits of investing through mutual funds include:

#### Professionally Managed

Mutual funds are professionally managed by investment advisers who research, select, and monitor the performance of the securities the fund purchases.

#### Diversification

Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as "Don't put all your eggs in one basket." Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.

#### Affordability

Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.

#### Liquidity

Generally, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption. Less frequently, some mutual funds have the option to redeem shares using the underlying stocks in the fund's portfolio or may delay redemption for a defined period.

Mutual funds also have features that some investors might view as disadvantages:

### Costs Despite Negative Returns

Mutual funds pay operating and other expenses from fund assets regardless of how the fund performs, which are indirectly charged to all holders of the mutual fund shares. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.

### Lack of Control

Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

### Price Uncertainty

With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

### Different Types of Funds

When it comes to investing in mutual funds, investors have literally thousands of choices. Most mutual funds fall into one of three main categories; money market funds, bond funds (also called "fixed income" funds), and stock funds (also called "equity" funds). Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

#### Money Market Funds

Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high quality, short-term investments issued by the U.S. Government, U.S. and foreign corporations, state and local governments, and bank issued certificates of deposit. Money market funds try to keep their net asset value (NAV), which represents the value of one share in a fund, at a stable \$1.00 per share. However, the NAV may fall below \$1.00 if the fund's investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds. That is why "inflation risk," the risk that inflation will outpace and erode investment returns over time, can be a potential concern for investors in money market funds.

#### Bond Funds

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards.

Some of the risks associated with bond funds include:

#### Credit Risk

There is a possibility that companies or other issuers may fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects mutual funds that hold these bonds. Credit risk is

less of a factor for bond funds that invest in insured bonds or U.S. Treasury Bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.

#### Interest Rate Risk

There is a risk that the market value of the bonds will go down when interest rates go up. Because of this, investors can lose money in any bond fund, including those that invest only in insured bonds or U.S. Treasury Bonds. Funds that invest in longer-term bonds tend to have higher interest rate risk.

#### Prepayment Risk

Issuers may choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer may decide to “retire” its debt and issue new bonds that pay a lower rate. When this happens, the fund typically will not be able to reinvest the proceeds in an investment with as high a return or yield.

#### Stock Funds

A stock fund’s value can rise and fall quickly (and dramatically) over the short term but can potentially demonstrate more stability over the long-term. Overall “market risk” poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services. Not all stock funds are the same.

#### Exchange-Traded Funds (ETFs)

An ETF is a type of security (usually, an open-end fund or unit investment trust) containing a basket of stocks, fixed income instruments, and/or commodities. Typically, the objective of an ETF is to achieve returns similar to a particular market index, including sector indexes. An ETF is similar to an index fund in that it will primarily invest in securities of companies that are included in a selected market. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like mutual funds, the prices of the underlying securities and the overall market affect ETF prices. Similarly, factors affecting a particular industry segment typically affect ETF prices that track that particular sector.

#### Closed-end Funds

Closed-end funds do not continually offer their shares for sale. Rather, they sell a fixed number of shares at an initial offering, after which the shares typically trade on a secondary market, such as the New York Stock Exchange or the NASDAQ Stock Market. Risk factors pertaining to closed-end funds vary from fund to fund. Closed-end funds are generally subject to the same risks that we describe under open-end mutual funds above. In addition, they may be subject to valuation risk, which is when common shares often trade above (a premium) or below (a discount) the net asset value (NAV) of the trust/fund’s portfolio. At times, discounts could widen or premiums could shrink, and could either dilute positive performance or compound negative performance. There is no assurance that discounted funds will appreciate to their NAV.

#### Cash and Cash Equivalents

Cash and cash equivalents are the most liquid of investments. Cash and cash equivalents are considered very low-risk investments meaning, there is little risk of losing the principal investment. Typically, low risk also means low return and the interest an investor can earn on this type of investment is low relative to other types of investing vehicles.



### Real Estate Investment Trusts (REIT)

Securities issued by real estate investment trusts (REITs) primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. Changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws, and regulatory requirements, such as those relating to the environment all can affect the values and liquidity of REITs. Both types of REITs are dependent upon management skill, the cash flows generated by their holdings, the real estate market in general, and the possibility of failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exempt status afforded under relevant laws.

### Master Limited Partnerships (MLPs)

MLPs are publicly traded partnerships that trade mainly on the New York Stock Exchange and/or the NASDAQ, the same as stocks. With a few exceptions, MLPs hold and operate assets related to the transportation and storage of energy (certain MLPs may have commodity risk). Most publicly traded companies are corporations. Corporate earnings are usually taxed twice. The business entity is taxed on any money it makes and then shareholders are taxed on the earnings the company distributes to them. In the 1980s, Congress allowed public trading of certain types of companies as partnerships instead of as corporations. The main advantage a partnership has over a corporation is that partnerships are “pass through” entities for tax purposes. This means that the company does not pay any tax on its earnings. Distributions are still taxed, but this avoids the problem of double taxation that most publicly traded companies face. Congress requires that any company designated as an MLP has to produce 90% of its earnings from “qualified resources” (natural resources and real estate). Most MLPs are involved in energy infrastructure, i.e. things like pipelines. MLPs are required to pay minimum distributions to limited partners. A contract establishes the payments, so distributions are predictable. Otherwise, the shareholders could find the company in breach of contract.

In addition to general business risks, MLPs bear the following risks:

#### Risk of Regulation or Change

The main advantage of an MLP is its tax-advantaged status under the current Internal Revenue Code. Therefore, changes in the tax code resulting in the loss of its preferential treatment could significantly affect the viability of MLP investments.

#### Interest Rate Risk

It is commonly thought that MLPs perform better when interest rates are low, making their yield higher in relation to the safest investments, such as Treasury bills and securities that are guaranteed by the U.S. government. Consequently, MLPs may perform better during periods of declining or relative low interest rates and more poorly during periods of rising or high interest rates.

#### Tax Risk

MLPs are pass-through entities, passing earnings through to the limited partners. Investors must be aware that there are potentially significant tax implications of investing in MLPs and they should consult with their tax advisor before investing in these securities. For example, income allocated to organizations that are exempt from federal income tax, including IRAs and other retirement plans, may be allocated unrelated business taxable income from a master limited partnership and this income could be taxable to them.

### Treasury Inflation Protected Securities (TIPS)

Treasury Inflation Protected Securities (TIPS) are inflation-indexed securities structured to remove inflation risk. TIPS principal increases with inflation and decreases with deflation, as measured by the Consumer Price Index. Upon maturity, the TIPS investor receives the adjusted principal or original principal, whichever is greater. TIPS pay fixed-rate interest twice per year, applied to the adjusted principal. Consequently, interest payments also rise with inflation and fall with deflation.

## **ITEM 9 - DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment adviser and each investment adviser representative providing investment advice to you. We have no information of this type to report.

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

As a registered investment adviser, we are required to disclose when we, or any of our principals, have any other financial industry affiliations. Neither OIM nor our principals have outside business affiliations in the financial industry.

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

### **Code of Ethics**

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by OIM and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using nonpublic information gathered when providing services to you for our own gains, or
- engaging in any act, practice, or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule, or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

### Personal Trading for Associated Persons

Sometimes, we buy or sell some of the same securities for clients that we already hold in our personal accounts. Frequently, we also buy for our personal accounts some of the same securities that clients already hold in their accounts. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in the Aggregation of Orders section of **Item 12 - Brokerage Practices**. When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

OIM and its associated persons purchase or sell specific securities for their own accounts based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

## **ITEM 12 - BROKERAGE PRACTICES**

### **The Custodian and Brokers We Use**

We do not maintain custody of your assets that we manage, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account, as described below in **Item 15 - Custody**. Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker/dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

#### *How We Select Brokers/Custodians*

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “*Products and Services Available to Us from Schwab*”)

#### *Your Brokerage and Custody Costs*

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat

dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “*How We Select Brokers/Custodians*”).

### Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting, and related services; many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

#### Services That Benefit You

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

#### Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

#### Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab chooses to provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Occasionally, Schwab also provides us with other benefits, such as occasional business entertainment of our personnel.

Additionally, OIM previously entered into an agreement with Schwab where we received the following benefits:

1. Up to \$18,000 to be used toward crediting clients for transfer of account exit fees charged by their existing custodian(s) when moving accounts to Schwab, and;
2. Up to \$10,000 to be used toward technology, marketing and research related expenses.

Schwab began providing these benefits to us in May 2017 in exchange for a commitment to transfer at least \$80 million in new client assets to Schwab by May 2018. This arrangement raised a potential conflict of interest since we had an incentive to require/recommend that clients transfer assets to Schwab based on our interest in receiving products and services that benefit our business and reduce operating expenses rather than based on our clients' interest in receiving the best value in custody services and the most favorable execution of their transactions. We believe, however, that our selection of Schwab as custodian and broker remains in the best interests of our clients and primarily support our selection of Schwab by the scope, quality, and price of Schwab's services (see ***How We Select Brokers/Custodians***, above) and not Schwab's services that benefit only us.

## **Aggregation of Orders**

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for another client or one or more of our associated persons.

We routinely block (aggregate) trades in client accounts with those of other client accounts and personal accounts of persons associated with OIM. When we place a block trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Commission costs are not averaged. Clients pay the same commission whether trades are placed as part of a block or on an individual basis. The objective of the aggregated orders will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

When we purchase or sell securities for multiple accounts we make the purchase/sale through a master account, then we average the cost basis before allocating the security through the various client accounts so that each gets the same price.

### **Aggregation with Client Orders**

OIM often aggregates orders for clients in the same securities in an effort to seek best execution, negotiate more favorable commission rates, and/or allocate differences in prices, commissions, and other transaction costs equitably among our clients. These are benefits of aggregating orders that we might not obtain if we placed those orders independently. OIM routinely aggregates trades in like

securities among client accounts as well as with accounts of OIM and our personnel, if we follow the policies described below. This presents a potential conflict of interest as it could create an incentive to allocate more favorable executions to our own accounts or the accounts of our personnel.

Our policies to address this conflict are as follows:

1. We will disclose our aggregation policies in this brochure;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients. The trade also needs to be consistent with the terms of our investment advisory agreement with each client that has an account included in the aggregation;
3. We will not favor any account over any other account. This includes accounts of OIM or any of our personnel. Each account in the aggregated order will participate at the average share price for all of our transactions in a given security on a given business day (per custodian). All accounts will pay their individual transaction costs;
4. Before entering an aggregated order, we will prepare a written statement (the "Allocation Statement") specifying the participating accounts and how we intend to allocate the order among those accounts;
5. If the aggregated order is filled entirely, we will allocate shares among clients according to the Allocation Statement;
  - a. In certain circumstances, including if the order is partially filled, we may allocate the order differently than specified in the Allocation Statement provided that all client accounts receive fair and equitable treatment. In this case, we will explain the reasons for a different allocation in writing, which the CCO must approve;
6. If an aggregated order is partially filled and we allocate it differently than the Allocation Statement specifies, no participating account may purchase or sell the security for a reasonable period following the execution of the block trade. This only applies when the participating account sells or receives more shares than it would have if the aggregated order been completely filled;
7. Our books and records will separately reflect each aggregated order and the securities held by, bought, and sold for each client account;
8. Funds and securities of clients participating in an aggregated order will be deposited with one or more qualified custodians. Clients' cash and securities will not be held collectively any longer than is necessary to settle the trade on a delivery versus payment basis. Following settlement, cash or securities held collectively for clients will be delivered out to the qualified custodian as soon as practical;
9. We do not receive additional compensation or remuneration of any kind as a result of aggregating orders; and
10. We will provide individual investment advice and treatment to each client's account.

## Directed Brokerage

OIM will not allow clients to direct OIM to use a specific broker-dealer to execute transactions. Clients must use the broker-dealers that OIM recommends. Not all investment advisers require their clients to trade through specific brokerage firms. By requiring clients to use Schwab, OIM believes we may be able to more effectively manage the client's portfolio, achieve favorable execution of client transactions, and overall lower the costs to the portfolio. Client accounts will always be held in the name of the client and never in OIM's name. Even though clients maintain accounts at Schwab, we can still use other brokers to execute trades for client accounts.

Since we require most of our clients to maintain their accounts with Schwab, it is also important for clients to consider and compare the significant differences between having assets custodied at another broker-dealer, bank or other custodian prior to opening an account with us. Some of these differences include, but are not limited to; total account costs, trading freedom, transaction fees/commission rates, and security and technology services.

OIM generally will not recommend a broker-dealer/custodian to individuals in existing employer-sponsored plan or annuity accounts.

## Soft Dollars

"Soft dollars" are typically generated when an investment adviser enters into an agreement with an executing broker to receive a portion of the commissions generated by the adviser's client trades. The soft dollars are allocated to the investment adviser and can then be used to purchase items or services. The investment adviser has a fiduciary duty to its clients to obtain best execution, on an overall basis, for any securities transactions.

We do not use soft dollars as described above. Clients should be aware, however, that the receipt of economic benefits by OIM or our personnel, as disclosed in the section entitled "Products and Services Available to Us from Schwab" above, in and of itself creates a potential conflict of interest and may indirectly influence OIM's recommendation of Schwab for custody and brokerage services. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients and primarily support our selection of Schwab by the scope, quality, and price of Schwab's services (see ***How We Select Brokers/Custodians***, above) and not Schwab's services that benefit only us.

## ITEM 13 - REVIEW OF ACCOUNTS

### Managed Account Reviews

Joshua Oder, Steven Zorn, and Erik Helmstetter, Portfolio Managers, review the accounts on a monthly basis. When reviewing, we look at all positions and make sure that asset allocations are in line with the original plan. More frequent reviews would be triggered if something changed with respect to the clients time horizon, risk tolerance, or financial needs.

### Account Reporting

Each client receives a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. At OIM's discretion and depending on the

client's preference, OIM also provides written reports including: portfolio statement, current vs. targeted asset allocations and/or performance summary reports.

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above in **Item 12 - Brokerage Practices**. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Solicitors**

We also engage solicitors to provide client referrals. We pay these solicitors a portion of the fees we earn for managing the client or investor that was referred. If you are referred by a solicitor, this practice will be disclosed in writing and we will comply with applicable state rules or statutes, this includes confirming that solicitors meet the registration requirements for the states in which they solicit.

### **Outside Compensation**

OIM often refers clients to unaffiliated professionals for specific needs, such as insurance, mortgage brokerage, real estate sales, estate planning, legal, and/or tax/accounting services. In turn, these professionals have referred clients to OIM for investment management needs. We do not have any arrangements with individuals or companies that we refer clients to, and we do not receive any compensation for these referrals. However, it could be concluded that OIM is receiving an indirect economic benefit from this practice, as the relationships are mutually beneficial. For example, there could be an incentive for us to recommend services of firms who refer clients to OIM.

OIM only refers clients to professionals we believe are competent and qualified in their field but it is ultimately the client's responsibility to evaluate the provider, and it is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and OIM has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by OIM.

If the client desires, OIM will work with these professionals or the client's other advisers (such as an accountant, attorney, or other investment adviser) to help ensure that the provider understands the client's investments and to coordinate services for the client. OIM does not share information with an unaffiliated professional unless first authorized by the client.

## **ITEM 15 - CUSTODY**

OIM has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.



Clients should carefully review the account statements they receive from the qualified custodian. When clients receive statements from OIM as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

OIM does not take physical custody of client funds or securities. For the convenience of the client, we will set up quarterly fee deduction ability from the client's account, when authorized by the client. For client accounts where we have this authority, the following procedures apply:

- Clients' accounts are held by a qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution).
- Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of OIM's fee.
- Each billing period, we send clients a statement showing the value of the client's assets upon which we based the fee, the amount of the fee, and how we calculated the fee.
- We send the amount of our fee to the custodian.

It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

## ITEM 16 - INVESTMENT DISCRETION

### Discretionary Management

As one of the conditions of managing accounts, OIM generally requires the client to provide discretionary authority for us to manage assets. Discretionary authority means that the client grants us limited power of attorney to place trades on their behalf. This limited power of attorney does not allow us to withdraw money from the client's account, other than advisory fees when clients give us that authority.

Clients grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on the client's behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for the client's account(s).

Certain client-imposed conditions may limit our discretionary authority, such as where the client prohibits transactions in specific security types. See also ***Tailored Services and Client Imposed Restrictions*** under ***Item 4***, above.

## ITEM 17 - VOTING CLIENT SECURITIES

As a matter of policy and as a fiduciary to our clients, we have responsibility for voting proxies for your portfolio securities consistent with your best economic interests. We maintain written policies and procedures as to the handling, research, voting and reporting of proxy voting and make appropriate disclosures about our proxy policies and practices. Our policy and practice includes the responsibility to

monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

Clients generally cannot direct our vote in particular solicitations and elect to retain the authority to vote the proxies themselves, in which case the client would receive proxies and other related paperwork directly from their custodian. Upon request, we will provide guidance about voting a specific proxy solicitation.

Clients may request a copy of our Proxy Policies and Procedures and/or information about how a proxy was voted at any time by contacting us at (818) 676-0036.

### *Class Actions*

OIM does not generally instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

## **ITEM 18 - FINANCIAL INFORMATION**

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.

# **Form ADV, Part 2B Brochure Supplement**

**Joshua K. Oder  
Steven Zorn  
Erik Helmstetter**

## **Oder Investment Management, LLC**

21300 Victory Blvd., Suite 855

Woodland Hills, CA 91367

(818) 676-0036

[Info@OderLLC.com](mailto:Info@OderLLC.com)

[www.OderLLC.com](http://www.OderLLC.com)

**February 25, 2019**

This brochure supplement provides information about Joshua Oder, Steven Zorn, and Erik Helmstetter that supplements the Oder Investment Management, LLC brochure. You should have already received a copy of that brochure. Please contact telephone number and/or e-mail address above if you did not receive our brochure or if you have any questions about the contents of this supplement. Additional information about Joshua Oder, Steven Zorn, and Erik Helmstetter is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# **JOSHUA ODER**

## **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Joshua K. Oder**, Managing Member, Portfolio Manager, b. 1976

*Education:*

Joshua Oder received a BS in Economics from Pepperdine University in 1998.

*Business Background:*

- Oder Investment Management, LLC (formerly Oder & Stewart Investment Management, LLC), Managing Member, Portfolio Manager; 01/1999 to present

## **ITEM 3 - DISCIPLINARY INFORMATION**

Joshua Oder has no disciplinary history to disclose.

## **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Joshua Oder's only business is providing investment advice through OIM.

## **ITEM 5 - ADDITIONAL COMPENSATION**

Joshua Oder's only compensation comes from his regular salary and ownership of OIM.

## **ITEM 6 - SUPERVISION**

Joshua Oder, Managing Member, is responsible for the supervision of all personnel. His telephone number is (818) 676-0036.

# STEVEN ZORN

## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Steven S. Zorn**, Member, Portfolio Manager, b. 1975

### *Education:*

Steven Zorn received an AA in Liberal Studies from Los Angeles Valley College in 1996 and went on to receive a BA in Economics from Pepperdine University in 1998.

### *Business Background:*

- Oder Investment Management, LLC (formerly Oder & Stewart Investment Management, LLC), Member, Portfolio Manager; 09/2014 to present
- Morgan Stanley & Co Incorporated, Financial Advisor; 04/2009 to 09/2014
- Morgan Stanley, Registered Representative; 06/2009 to 09/2014
- Merrill Lynch, Registered Representative/Financial Advisor; 02/2000 to 04/2009

### Professional Designations

Steven Zorn holds the following professional designations:

#### Chartered Retirement Planning Counselor ("CRPC")

The CRPC designation is issued by The College for Financial Planning. Individuals who hold the CRPC designation have completed a course of study encompassing pre-and post-retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process. Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements. More information regarding the CRPC is available at <http://cffpdesignations.com>.

## ITEM 3 - DISCIPLINARY INFORMATION

Steven Zorn has no disciplinary history to disclose.

## ITEM 4 - OTHER BUSINESS ACTIVITIES

Steven Zorn's only business is providing investment advice through OIM.

## ITEM 5 - ADDITIONAL COMPENSATION

Steven Zorn's only compensation comes from his regular salary and ownership of OIM.

## ITEM 6 - SUPERVISION

Joshua Oder, Managing Member, is responsible for the supervision of all personnel. His telephone number is (818) 676-0036.

# ERIK HELMSTETTER

## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Erik Helmstetter**, Member, Portfolio Manager, b. 1974

### *Education:*

Erik Helmstetter received a BA in History and Business Specialization from the University of California, Los Angeles in 1997.

### *Business Background:*

- Oder Investment Management, LLC, Member, Portfolio Manager; 06/2017 to present
- Morgan Stanley Private Bank, National Association, Financial Advisor; 01/2015 to 06/2017
- Morgan Stanley Smith Barney, Financial Advisor; 06/2009 to 06/2017
- Morgan Stanley & Co. Inc., Financial Advisor; 04/2009 to 06/2017
- Merrill Lynch, Financial Advisor; 09/1998 to 04/2009
- Merrill Lynch, Pierce, Fenner & Smith Incorporated, Financial Advisor; 09/1998 to 04/2009

### Professional Designations

Erik Helmstetter holds the following professional designations:

#### CERTIFIED FINANCIAL PLANNER™

The CERTIFIED FINANCIAL PLANNER™ and CFP® (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP® Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. The CFP® is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To earn the credential, each CFP® candidate must have a bachelor’s degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP® Certification examination and complete a CFP® -board registered program or hold an accepted designation, degree, or license. Every two years, CFP® certificate holders must complete a minimum of 30 hours of continuing education. More information regarding the CFP® is available at <http://www.cfp.net/default.asp>.

#### Chartered Retirement Planning Counselor (“CRPC”)

The CRPC designation is issued by The College for Financial Planning. Individuals who hold the CRPC designation have completed a course of study encompassing pre-and post-retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process. Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-

disclosure requirements. More information regarding the CRPC is available at <http://cftpdesignations.com>.

#### Chartered Retirement Plans Specialist<sup>SM</sup>

Individuals who hold the CRPS<sup>®</sup> designation have completed a course of study encompassing design, installation, maintenance and administration of retirement plans. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to a Standards of Professional Conduct and are subject to a disciplinary process. Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements. More information regarding the CRPS<sup>®</sup> is available at <http://www.cftpdesignations.com/>.

### **ITEM 3 - DISCIPLINARY INFORMATION**

Erik Helmstetter has no disciplinary history to disclose.

### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Erik Helmstetter's only business is providing investment advice through OIM.

### **ITEM 5 - ADDITIONAL COMPENSATION**

Erik Helmstetter's only compensation comes from his regular salary and ownership of OIM.

### **ITEM 6 - SUPERVISION**

Joshua Oder, Managing Member, is responsible for the supervision of all personnel. His telephone number is (818) 676-0036.

## FACTS

### WHAT DOES ODER INVESTMENT MANAGEMENT, LLC DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and transaction history
- assets and risk tolerance

When you are *no longer* our customer, we continue to share your information as described in this notice.

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Oder Investment Management, LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Oder Investment Management, LLC share?	Can you limit this sharing?
<b>For our everyday business purposes -</b> as permitted by law	YES	NO
<b>For our marketing purposes -</b> to offer our products and services to you	NO	We Don't Share
<b>For joint marketing with other financial companies</b>	NO	We Don't Share
<b>For our affiliates' everyday business purposes -</b> information about your transactions and experiences	NO	We Don't Share
<b>For our affiliates' everyday business purposes -</b> information about your creditworthiness	NO	We Don't Share
<b>For nonaffiliates to market to you</b>	NO	We Don't Share

#### Questions?

Call 818-676-0036 or go to [www.oderllc.com](http://www.oderllc.com)



## WHO WE ARE

Who is providing this notice?

**Oder Investment Management, LLC**

## WHAT WE DO

**How does Oder Investment Management, LLC protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

**How does Oder Investment Management, LLC collect my personal information?**

We collect your personal information, for example, when you

- seek advice about your investments
- enter into an investment advisory contract
- tell us about your investment or retirement portfolio
- tell us about your investment or retirement earnings
- give us your contact information

We also collect your personal information from other companies.

**Why can't I limit all sharing?**

Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes - information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## DEFINITIONS

**Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Oder Investment Management, LLC has no affiliates*

**Nonaffiliates**

Companies not related by common ownership or control. They can be financial and non-financial companies.

- *Oder Investment Management, LLC does not share with nonaffiliates so they can market to you*

**Joint Marketing**

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Oder Investment Management, LLC does not jointly market*