

## **Part 2A of Form ADV: *Firm Brochure***

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**This brochure provides information about the qualifications and business practices of Oak Associates, ltd. (hereinafter “Oak Associates,” “Oak,” “Firm” or “we”). If you have any questions about the contents of this brochure, please contact us at 330-668-1234 or [mballinger@oakassociates.com](mailto:mballinger@oakassociates.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Any references to Oak Associates being a “registered investment adviser” or “registered” do not imply a certain level of skill or training.**

**Additional information about Oak Associates is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Oak Associates is 108874.**

**Item 2. Material Changes**

Oak Associates has made the following material changes to its Firm Brochure since the last annual update filed on March 29, 2019:

- Item 4 – The Firm updated this section to reflect Oak Associates’ new ownership structure as of January 1, 2020.
- Item 8 – The Firm has updated the “General Risks” section to expand its disclosure addressing unforeseen risks relating to outbreaks of an infectious disease, pandemic or any other serious public health concern.
- Item 8 – The Firm has also added a section addressing cybersecurity risks.

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## **Item 4. Advisory Business**

### **INTRODUCTION**

Oak Associates is an investment management firm formed in 1985 and located in Akron, Ohio. Our Firm is registered with the SEC. As of December 31, 2019, we managed approximately \$1,859,400,000 in client assets, all of which are managed on a discretionary basis. As of January 1, 2020, the principal owners of Oak Associates are Margaret Ballinger and Robert Stimpson.

### **INVESTMENT SUPERVISORY SERVICES**

Oak Associates provides investment supervisory services, which include giving continuous advice as to the investment of funds based on Oak Associates' discretionary authority over and ongoing supervisory or management services with respect to clients' accounts, performed in accordance with the growth equity strategy employed by Oak Associates with respect to all funds invested on behalf of its clients.

#### *INDIVIDUAL AND INSTITUTIONAL ADVISORY SERVICES*

Oak Associates encourages communications with clients involving reviews of portfolio investments and objectives for each managed account. In conjunction with personal consultations to informally review and confirm Oak Associates' investment strategy for each account, Oak Associates encourages telephone consultations in order to discuss portfolio investments resulting from the investment strategy. Oak Associates implements the investment strategy through execution of orders in the client's account and provides on-going monitoring and management services. The firm provides these services to individuals, corporations, pension and profit sharing plans, investment companies, trusts, estates, foundations, endowments and charitable organizations, among other institutions.

#### *INVESTMENT COMPANY ADVISORY SERVICES*

Oak Associates also provides investment advisory services to the Oak Associates Funds, a registered, open-end investment company which includes the following funds ("Oak Funds"):

White Oak Select Growth Fund,  
Pin Oak Equity Fund,  
Rock Oak Core Growth,  
River Oak Discovery Fund,  
Red Oak Technology Select Fund,  
Black Oak Emerging Technology Fund, and  
Live Oak Health Sciences Fund.

Oak Associates also provides advisory services and acts as sub-adviser to other investment managers. Oak may offer customized investment strategies at the client's request.

## *TRADITIONAL WRAP FEE PROGRAMS*

Under these types of programs, Oak Associates acts as a sub-adviser for the program sponsor. There is an agreement for services between Oak Associates and the wrap fee sponsor to provide portfolio management services to those program clients who select Oak Associates based upon their needs and circumstances. The client pays a single fee to the sponsor for all services under the program including:

- the sponsor's custodial services,
- execution services,
- advisory services, including Oak Associates' advisory fee,
- monitoring of sub-advisers, including Oak Associates,
- reconciliation, and
- reviews and reports.

There is no direct contract between the "client" and Oak Associates. Oak Associates' authority to provide services is contained in the agreement with the sponsor. For each client sent to Oak Associates under the program, we will review the client profile that the client provides the sponsor for suitability determination prior to providing services to the client. Oak Associates may reject accounts if there are unreasonable restrictions placed upon the firm or if it appears the client's financial profile is inconsistent with the services available under the program. As clients pre-pay for services in the form of a wrap fee, our Firm generally has brokerage discretion; however, because additional commissions are incurred only when trading away from the sponsor, wrap fee client trades will almost always be executed through the sponsor.

Oak Associates is typically paid between 45 to 50 basis points (a basis point is one hundredth of one percent or in this case 0.45% to 0.50% (one-half percent)).

Oak Associates participates in the following traditional wrap fee programs as listed below. This list is subject to change without notice. A current list of program participation is available upon request.

Wrap Fee Programs as of December 31, 2019:

- Investnet Premier Asset Management Program
- LPL Financial Services Manager Select Program

Oak Associates has created two model portfolios which are designed to meet a particular investment goal which Oak Associates has determined is appropriate for the wrap fee programs. The two model portfolios are:

- Large Cap Growth
- All Technology

Once the appropriate model portfolio has been determined, the portfolio will be continuously managed based on the model portfolio's goal, rather than on each client's individual needs. However, each client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Oak Associates reserves the right to reject client accounts with unreasonable investment restrictions. All accounts within the wrap fee programs are managed by Oak Associates for the program sponsors on a discretionary basis.

Although clients are treated individually and clients may impose reasonable investment restrictions upon Oak Associates in the selection of securities, all wrap client accounts must be suitable for one or more of these models available under the program. Oak Associates will liquidate all securities in the account without consideration of taxes and will purchase with available cash the selected model for any client.

One of the primary benefits of participating in wrap fee programs is the availability of Oak Associates' professional portfolio management services at lower minimum account sizes when compared to institutional or other accounts which Oak Associates manages. The difference between the management of a wrap fee program account and a separately managed portfolio with a higher minimum is that a separately managed portfolio can be managed according to the client's specific situations such as taking the tax effect of trading into account, whereas the portfolios in the wrap fee programs are managed to a specific model and the tax effect of trading is not considered.

Oak Associates' wrap fee program minimum account size is \$100,000.

## **Item 5. Fees and Compensation**

### *FEE SCHEDULE FOR INVESTMENT ADVISORY SERVICES*

Oak Associates' fee schedule is 1.00% annually on the first \$4,000,000 and 0.75% on all assets over \$4,000,000. Oak Associates may also enter into special performance fee arrangements with qualified clients in compliance with Rule 205-3 under the Investment Advisers Act of 1940. Currently, Oak does not manage accounts with performance-based fees but is open to this arrangement on a client-by-client basis.

Oak Associates' fees are calculated as a percentage of the market value of assets under management according to the fee schedules described above and are payable quarterly (in arrears). Under certain circumstances, Oak Associates may waive fees or make special fee arrangements which may vary from the fee schedules. Such arrangements may include lower rates for eleemosynary institutions.

Certain clients may provide written consent to Oak Associates to directly debit their advisory fees from their custodial account. The Firm provides each such client and custodian with an invoice for payment of such advisory fee. Each client invoice describes the amount of the advisory fee, the value of the client's assets on which the fee was based and the manner in which the fee was calculated. For each such client, the custodian

deducts the advisory fee from such clients' account and remits such amount directly to Oak Associates. At least on a quarterly basis, the custodian sends each client a statement summarizing all amounts disbursed from such client's account during such period, including the amount of such client's advisory fees, if any, paid directly to Oak Associates by the custodian. Clients may also choose to pay their advisory fees directly to Oak Associates.

A client may terminate Oak Associates' investment advisory services at any time upon prior written notice. In the event such services are terminated, Oak Associates' fees for such client are pro-rated based on the period prior to termination that Oak Associates rendered investment advisory services for the client.

#### *FEE SCHEDULE FOR INVESTMENT COMPANY ADVISORY SERVICES*

Oak Associates, as investment adviser to the Oak Funds, is entitled to an annual fee of .74% of assets under management for all funds except River Oak which is 0.90%. The management fee is calculated daily and paid monthly. Oak Associates has agreed to limit the total annual expenses to 1.25% for the following Oak Funds:

- White Oak Select Growth Fund
- Pin Oak Equity Fund
- Rock Oak Core Growth Fund

Oak Associates has also agreed to limit the total annual expenses to 1.35% for these Oak Funds:

- River Oak Discovery Fund
- Red Oak Technology Select Fund
- Black Oak Emerging Technology Fund
- Live Oak Health and Science Fund

Oak Associates has agreed to waive its own fee and/or reimburse expenses to maintain that expense cap on a voluntary basis.

Mutual funds may be included in clients' portfolios, and money market mutual funds may be used to 'sweep' unused cash balances until they can be appropriately invested. Clients should recognize that all fees paid to Oak Associates for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

#### **GENERAL INFORMATION ON FEES**

In certain circumstances, all fees and account minimums may be negotiable. Further, fee schedules and minimums may vary among clients and depend on the client circumstances,

nature of services, and amount of assets and length of relationship, among other reasons. We may also group certain related client accounts for the purposes of determining the annualized fee.

#### *Termination*

A client agreement may be canceled at any time, by either party, for any reason, upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

Clients will have a period of five (5) business days from the date of signing the agreement to terminate the agreement and receive a full refund of all fees. After the five business days, the client may terminate the agreement by providing us with written notice at our principal place of business.

Upon termination after the five business days, we will prorate fees to the date of termination and refund to the client the unearned portion of the fee we have collected.

#### *Separate Expenses and Fees*

All fees paid to Oak Associates for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds (ETFs) to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee for mutual funds. If the mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund or ETF directly, without the services of Oak Associates. In that case, the client would not receive the services provided by Oak Associates which are designed, among other things, to assist the client in determining which mutual funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds or ETFs and the fees charged by our firm to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided.

Clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any commissions, custody fees, transaction charges or mark-up/mark-downs imposed by a broker-dealer with which Oak Associates effects transactions for a client's account(s).

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

If Oak were to manage client accounts that pay a performance-based fee side-by-side with client accounts that do not pay a performance-based fee, a potential conflict of interest would exist. Managing client accounts that do and do not pay performance-based fees may create an incentive for Oak to favor the accounts that pay a performance-based fee over



those accounts that do not, as an account with a performance-based fee has the potential to increase Oak's overall compensation. As noted above in Item 5, Oak does not currently manage any client accounts with a performance-based fee arrangement. As a result, this potential conflict of interest does not currently apply to Oak.

## **Item 7. Types of Clients**

Oak Associates offers and provides investment management services to high net worth individuals, pension and profit-sharing plans, charitable organizations, corporations, other investment advisers, and the Oak Funds, i.e., registered investment companies. Our Firm manages client portfolios on a discretionary basis. Oak Associates also participates as a sub-adviser in various wrap fee programs sponsored by independent broker-dealer firms described above in Item 4. Additionally, Oak Associates acts as a sub-adviser to other managers.

## **Item 8. Methods of Analysis, Investment Strategies & Risk of Loss**

### ***Methods of Analysis***

Oak uses investment research from numerous Wall Street firms and independent research organizations and has established relationships with brokers and industry analysts. The firm also utilizes various internet-based information services for financial institutions and investment-research software.

As part of our methods of analysis, we also use the following:

Fundamental analysis. Fundamental analysis involves the selection, evaluation, and interpretation of financial data and other pertinent information to assist in evaluating the operating performance and financial condition of a company or an industry. The operating performance of a company is a measure of how well a company has used its resources – its assets, both tangible and intangible – to produce a return on its investment.

We consider a company's competitive advantages and how sustainable they are.

Qualitative analysis: As a part of our fundamental analysis, we subjectively evaluate non-quantifiable factors such as quality of management, strength of research and development and other factors not readily subject to measurement.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Quantitative analysis: We may use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Macroeconomic analysis: This involves assessing broad economic data series and statistics to determine the direction of the global economy and present state of the investment environment. Macroeconomic analysis includes interpreting the direction of interest rates, employment, wages, inflation, productivity trends, trade policy and structural factors that may affect investment opportunities. The regulatory and political environment is also considered to determine whether government intervention or policy actions may adversely alter the direction of the economy. An analysis of the macroeconomic environment is employed to help identify attractive industries, secular trends, and/or thematic opportunities.

A risk in using macroeconomic analysis is that economic data is backward looking, some data is subject to periodic revisions, and the interpretive power of economic variables can change over time.

### ***Investment Strategies***

We also use the following strategies in managing client portfolios:

Long-term purchases: We purchase securities with the idea of holding them in a client's portfolio for a several years.

Concentration: We run concentrated portfolios, usually limiting both the number of sectors and holdings.

Fully invested: Oak generally does not attempt to time the market by raising cash. Our policy is to keep cash relatively low, unless there are client-specific reasons for raising cash.

For all strategies: We make significant efforts and inquiries to help us understand client's tolerance for risk and any changes in their financial objectives and circumstances. We also request that clients notify us of any such changes promptly.

### ***Risks***

General Risks: Investing in securities involves the risk of loss that clients should be prepared to bear. The markets are subject to the risks of the unforeseen, including political events, terrorist attacks, fraud, bubbles, panics and outbreaks of an infectious disease, pandemic or any other serious public health concern—more generally, the uncertainty produced by the fact that the future is unknown. In addition, markets are unforgiving and can be perverse and irrational over a short or longer period. Absolute loss can also occur when a client panics and sells out of fear when the market experiences a significant downward movement, only waiting to reinvest when the market recovers. When experiencing market volatility, a client might not have the emotional strength or discipline to ride through the inherent volatility of the market.

An investment in individual securities or in a portfolio of securities could lose money. The investments selected by Oak should be deemed speculative investments and are not intended as a complete investment program. These types of investments are designed for sophisticated investors who fully understand and are capable of bearing the risk of loss of their entire investment. Oak cannot provide any guarantee that it will achieve its investment objectives or that any client will receive a return of their investment.

Oak may rely on information that turns out to be wrong - Our analytical methods for the securities we recommend, purchase or sell, are assisted by but do not rely entirely upon information provided by issuers to regulators, rating agencies and information made directly available to Oak by the issuers or other sources. Oak is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and may result in losses. There is also the risk of fraud with the data obtained by Oak. As a result, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Oak may fail to identify successful companies. Identifying undervalued securities and other assets is difficult, and there are no assurances that such a strategy will succeed. Furthermore, clients may be forced to hold such investments for a substantial period of time before realizing any anticipated value.

Investing in small-cap companies entails unique risks. Small-cap company securities may be subject to wider price fluctuations and may be difficult or impossible to sell. Low trading volume in a company's securities means that Oak may have to sell holdings at a discount from quoted prices or make a series of small sales over an extended period of time. In addition, small-cap companies may generate less information on which to base investment decisions. Small-cap companies are often subject to risks related to lack of management experience, lack of financial resources, reliance on a single product and the inability to compete with better capitalized companies with more experienced management.

Cybersecurity Risks - As the use of technology has grown, there are ongoing cybersecurity risks that make Oak and its clients susceptible to operational and financial risks associated with cybersecurity. To the extent that Oak is subject to a cyber-attack or other unauthorized access is gained to its systems, Oak and its clients may be subject to substantial losses in the form of theft, loss, misuse, improper release or unauthorized access to confidential or restricted data related to Oak or its clients. Cyber-attacks affecting Oak's service providers holding its financial or client data may also result in financial losses to clients, despite efforts to prevent and mitigate such risks under Oak's policies. While measures have been developed which are designed to reduce the risks associated with cybersecurity, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since Oak does not directly control the cybersecurity measures of its service providers and financial intermediaries with which it does business.

**Item 9. Disciplinary Information**

Our firm, its principals and associated persons have no disciplinary or regulatory events that are required to be disclosed.

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

Oak Associates is an independently-owned and operated investment management firm and has no affiliated entities which are owned by, controlled or under common control with our Firm. The principals of Oak Associates devote substantially all their time and efforts to the advisory activities of the Firm and the Oak Associates clients. None of the principals or associated persons receives any additional compensation from any outside financial or business activities.

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

Oak Associates and individuals associated with our Firm may buy, sell or own securities identical to, or different than, those recommended to clients for their personal accounts. In addition, any of these individuals may have an interest or position in securities which may also be recommended to an advisory client.

These situations present a conflict of interest to the extent that an employee of our Firm may purchase a security for him/herself prior to that transaction being implemented in a client's account, thus, receiving a more favorable price, commission, or allocation. To address these potential conflicts of interests, Oak Associates has established various policies in order to ensure its fiduciary responsibilities. Oak Associates has adopted a Code of Ethics, which provides that no officer or employee of Oak Associates may buy or sell securities for their personal portfolios or client portfolios where their decision is derived, in whole or in part, from information that is not available to the investing public on reasonable inquiry. No person associated with Oak Associates shall prefer his or her own interest to those of any advisory client. Oak Associates has adopted a Code of Ethics consistent with Rule 17j-1 of the Investment Company Act and Rule 204A-1 of the Advisers Act. Oak Associates' Code of Ethics requires a high ethical standard of conduct for all Oak Associates professionals and employees, compliance with federal securities laws, trading restrictions and policies and procedures for the reporting of certain personal securities transactions on a quarterly basis and initial and annual security holdings by Oak Associates' professionals and employees. Further, it is the policy of our Firm that no person may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing any employees from benefiting from transactions placed on behalf of advisory accounts.

We have established the following additional restrictions in order to ensure Oak's fiduciary responsibilities:

1. No principal or employee of our Firm may buy or sell securities for their personal

- portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client.
2. We maintain records of securities transactions and holdings for our firm, all firm employees and employees' family members living in the same household as the employee. These holdings are reviewed on a regular basis by the Firm's Chief Compliance Officer.
  3. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
  4. Any individual not in observance of the above may be subject to termination.

Among other things, Oak Associates' Code of Ethics also requires the prior approval of any personal transactions, with certain exceptions, and any IPO and private placement investments, as well as supervisory reviews and recordkeeping.

A copy of Oak Associates' Code of Ethics is available to Oak Associates' advisory clients or prospective clients upon written request to the Chief Compliance Officer at Oak Associates' principal office address.

## **Item 12. Brokerage Practices**

### *Discretionary Brokerage*

Oak Associates will execute securities trades primarily through various brokerage firms for those client accounts where Oak Associates has the discretion to select the brokerage firm.

In those client relationships where Oak Associates exercises its discretion in selecting brokerage firms, Oak Associates endeavors to select brokerage firms to execute particular trades to achieve best execution. In making such selections, the traders monitor execution costs available from a number of brokerage firms.

The reasonableness of commissions is based on a variety of factors which assist the firm in providing investment management services to its clients including, among other things: the brokerage firm's ability to provide professional services, competitive commission rates, research, and other services. As a result of this procedure, the rates clients pay for the execution of trades and securities for their accounts may differ from rates paid by other clients.

### *Aggregation of Transactions*

Whenever possible, where the firm has discretion to select the brokerage firm, Oak Associates may aggregate orders for advisory clients and the Oak Funds into a single block order for execution when advantageous to clients. Oak Associates also seeks to aggregate when possible, orders for multiple clients maintaining accounts with the same

broker-dealer/custodian. Upon execution of the block order, all clients participating in the transaction will receive the average price of the execution and their pro rata allocation of shares. Aggregating client transactions allows the firm to execute trades in a more timely, efficient and equitable manner. In some instances, a pro rata allocation may not be possible, often due to differences in the availability of cash among client accounts. In this case, Oak Associates will ensure that all accounts participate in a fair and equitable manner, to the extent that client assets permit. If an order is not completed by the end of the day, a partial allocation of the trade will be made, along the same procedures.

#### *Allocation of Opportunities and Brokerage*

Oak Associates has adopted a rotational order entry process. Oak Associates rotational order entry process seeks to select client orders on a rotational basis for entry so as to not favor any group of clients over others and to treat clients fairly over time. As with any order entry process, certain selected client orders are entered before other client orders which may result in clients obtaining different execution prices due to the timing of orders.

If and when, Oak Associates may participate in or receive shares in initial public offerings (IPOs), Oak Associates' practice is to allocate such investments fairly and equitably among eligible charitable, foundation and endowment organizations, if consistent with such clients' objectives and guidelines.

In keeping and consistent with the investment strategies employed by Oak Associates for all accounts, Oak Associates evaluates, and occasionally may elect to invest eligible charitable organization clients' assets in initial public offerings.

These trading policies have been established to help ensure that all accounts of Oak Associates are treated fairly with respect to aggregating and allocating trades, and to seek to eliminate the possibility that certain clients may be shown preference over another except as disclosed above for IPO allocations to eligible charitable organizations.

#### *Selection of Brokers*

There are many variables Oak Associates considers when selecting a brokerage firm to execute a trade. Oak Associates has a Portfolio Trading Committee with representation from Trading, Compliance, and the Investment Team. The Portfolio Trading Committee meets quarterly to review and monitor the firm's best execution and trading practices which include oversight of commission rates and the soft dollar program. The Investment Team votes and ranks brokerage firms based on several quantitative and qualitative factors, including the value of research provided, the financial health of the firm, trade execution, back office operations, commission rates, and access to an analyst, including their ability to offer specific data analysis.

Traders use the voting results as a tool when selecting brokerage firms to execute an order. For example, traders first try to select a brokerage firm to execute transactions at the least total cost and most favorable execution for the client. Traders then examine market

conditions such as liquidity and volatility of the security and the brokerage firms that are active in those securities. Traders also subscribe to financial investment software for on-line technical information, real-time pricing, and market data information. They use these analytical measures to further aid in the brokerage firm selection and evaluation process.

### *Research and Soft Dollars*

Oak Associates does obtain and utilize research and research-related products and services on a soft dollar basis. Currently, soft dollar research services obtained include:

- Bloomberg Services / Stock Market Data (Research)
- Refinitiv (Thomson) / Eikon Core / Broker Research Portal (Research)
- Telemet America / Stock Market Data (Trading)

All of these research services are used exclusively in providing investment advice to clients.

The receipt of such soft dollar research products is one of several factors in Oak Associates' selection of brokerage firms. Oak Associates utilizes such soft dollar research services in providing investment advisory advice to its clients without regard to the particular securities transactions providing such research services.

Accordingly, Oak Associates' use of research services obtained from brokerage firms for a particular account may benefit another client account not utilizing the services of such brokerage firm. The receipt of soft dollar research products from brokerage firms provides an incentive to Oak Associates to use such brokerage firms as long as they continue to provide such research products; therefore, clients will pay a higher commission as a result of such practices consistent with Section 28(e) of the Securities Exchange Act of 1934 regarding soft dollar practices.

### *Brokerage for Client Referrals*

Brokerage firms that Oak Associates selects to execute transactions occasionally may refer clients to Oak Associates. In the event of any such referrals, Oak Associates will not make commitments to any brokerage firm for brokerage transactions for client referrals; however, a conflict of interest arises between the client's interest in obtaining best price and execution and Oak Associates' interest in receiving future referrals.

### *Direction of Brokerage*

Certain clients, when undertaking an advisory relationship, already have a pre-established relationship with a broker and/or may instruct Oak to execute all transactions through that broker. In the event that a client directs Oak to use a particular broker or dealer, it should be understood that under those circumstances Oak Associates will not have authority to negotiate commissions among various brokers, aggregate directed trades with other client transactions and best execution may not be achieved. In addition, a disparity in

commission rates may exist between commissions charged to Oak Associates' clients who direct their brokerage and other Oak Associates' clients.

### **Item 13. Review of Accounts**

#### *Reviews of Portfolios*

The Portfolio Managers have the responsibility for reviewing and monitoring all portfolio holdings in clients' accounts on an ongoing basis. These reviews include understanding each client's circumstances and ensuring each portfolio is managed for consistency with each client's investment objectives.

Oak Associates requests background information about each client's financial circumstances, investment objectives, investment restrictions, and risk tolerance through an investor suitability questionnaire during an initial meeting. Additionally, background information updates and reviews of objectives are requested annually.

Advisory clients may also provide written investment policy statements or written investment guidelines that the Firm reviews, approves, and monitors as part of the Firm's investment services, subject to any written revisions or updates received from a client.

The Investment Team schedules client meetings on a periodic basis, or as requested, to review a client's portfolio, performance, market conditions, financial circumstances, and investment objectives, among other things, to confirm the Firm's investment decisions and services are consistent with the client's objectives and goals. Documentation of such reviews is recorded in the client file within the Firm's customer relationship management software.

More frequent reviews may be triggered by changes in the market, political or economic conditions, or at a client's request.

For wrap fee programs, the portfolio models are reviewed on a continuous basis with formal and periodic reviews by the Investment Team.

For the Oak Associates Funds and sub-advised funds managed by Oak Associates, the Firm has adopted and follows additional and separate policies and procedures consistent with industry and client specific guidelines.

#### *Client Reports*

Oak Associates provides performance information on a quarterly basis to advisory clients with the option to include a reference to a relevant market index or benchmark.

Clients also receive monthly/quarterly custodian statements reflecting account activity and portfolio positions in addition to confirmations of transactions. Upon request, Oak Associates will provide clients with an appraisal that includes information about portfolio



positions, cost and market value, estimated annual income and yield, among other things.

Oak Associate provides the Firm's Form ADV Part 2 to all prospective clients, which provides, among other things, disclosures relating to the Firm's advisory services, fees, conflicts of interest and portfolio/supervisory reviews and investment reports provided by the Firm to clients.

For wrap fee programs, clients receive statements of holdings and activity from the wrap fee program sponsor. Oak Associates does not provide any separate reports.

Oak Associates provides its advisory clients with periodic market commentary that reviews the financial markets, economic environment and investment outlook.

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

Oak Associates does not receive any economic benefits from third parties for providing investment advice or other advisory services to clients. In addition, the Firm does not currently have any arrangements to compensate third parties for client referrals.

#### **Item 15. Custody**

Oak Associates may be deemed to have custody over client assets held at certain custodians because of the Firm's ability to directly debit advisory fees from client accounts held at these custodians. All client funds and securities are held at qualified custodians.

Clients will receive account statements from their broker-dealer, bank, or other qualified custodian. Oak Associates recommends that clients carefully review these statements. Clients are also urged to compare the account statements received from their qualified custodian with the reports provided by the Firm.

The Oak Funds utilize US Bank as custodian. The sub-advised funds select and maintain relationships with independent custodians for the custody and handling of their funds and securities.

#### **Item 16. Investment Discretion**

Subject to Oak Associates' investment strategies employed for each account, Oak Associates has discretionary authority to determine the securities to be bought or sold for clients, the amount of securities to be bought or sold, the brokerage firm to be used, and the commission rates to be paid. Oak Associates is granted discretionary authority over the investment decisions made in clients' accounts when each client executes a written investment advisory agreement with the Firm.

Any limitations on this discretionary authority are to be provided by the client in writing, and any change or amendments of any investment restrictions or limitations are also to be provided by the client in writing.

## **Item 17. Voting Client Securities**

### *Proxy Voting*

Oak Associates has a written statement of proxy policy and practices which recognizes proxy voting as an important right of shareholders. Oak Associates' voting policy seeks to advance the economic interests of our clients and protect client rights as beneficial owners of the companies in which clients are invested. Oak Associates typically has proxy voting authority for its clients, including employee benefit plans and others subject to ERISA, institutional, wrap fee program and individual clients who have delegated proxy responsibility to Oak Associates and the Oak Funds. Clients who have delegated proxy voting authority to Oak Associates may not direct their vote with respect to any particular proxy issue.

Certain clients have expressly retained proxy voting responsibility, and in those instances, Oak Associates has no proxy voting responsibility. Oak Associates has retained Institutional Shareholder Services (ISS) to assist in coordinating and voting proxies for client securities. Oak Associates' proxy policy also provides guidelines for the voting of client proxies, disclosures of conflicts of interests and retaining appropriate records.

Oak Associates also seeks to avoid any conflicts of interest that may arise in the review and voting of client proxies. In the event that any potential or actual conflict of interest arises, Oak Associates will disclose the circumstances of any such conflict to client(s) and in most cases either forward the proxy materials to the client(s) to vote, vote according to ISS recommendations or take such other action as may be appropriate under the particular circumstances.

Additional information about Oak Associates' proxy voting policy and practices, or how a client's proxies were voted in instances where Oak Associates has proxy responsibility is available upon written request to the Chief Compliance Officer.

### *Legal Proceedings*

Oak Associates, as a matter of policy and practice, will not provide legal advice or act on behalf of clients for any legal proceedings, including class actions, bankruptcies or other proceedings, involving companies whose securities are held or previously held in client portfolios.

## **Item 18. Financial Information**

As a matter of firm policy and practice, our firm will not charge or earn advisory fees in excess of \$1,200 more than six months in advance of the services rendered.

There are no financial conditions that exist that are reasonably likely to impair the Firm's ability to meet contractual commitments to its clients. Oak Associates has never been the subject of a bankruptcy petition.