



# **FIRM BROCHURE**

(Part 2A of Form ADV)

September 25, 2020



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**Oakhurst Advisors, LLC**

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**ITEM 1: COVER PAGE**

This brochure provides information about the qualifications and business practices of Oakhurst Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (310) 278-8282 and/or [compliance@oakhurstfunds.com](mailto:compliance@oakhurstfunds.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

Oakhurst Advisors, LLC is a registered investment adviser with the SEC; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Oakhurst Advisors, LLC and its investment adviser representatives are also available on the SEC's website at <https://adviserinfo.sec.gov>.

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Oakhurst Advisors, LLC  
Form ADV Part 2A

## **ITEM 2: MATERIAL CHANGES**

The initial Part 2A of Form ADV for Oakhurst Advisors, LLC was filed September 20, 2019. We have revised this brochure to update our firm's compliance with Commodity Futures Trading Commission Regulation 4.5(c) under the Commodity Exchange Act, which is reflected in Item 4, Advisory Business.

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## ITEM 4: ADVISORY BUSINESS

### A. Description of Firm

Oakhurst Advisors, LLC ("Oakhurst") is an SEC-registered, Los Angeles-based investment advisor founded in 2014 that advises a mutual fund, real estate-related private funds, and other pooled investment vehicles. See Item 4 (Advisory Business). Oakhurst is headquartered in Los Angeles, California with one other office located in Pasadena, California.

Oakhurst is majority-owned by Oakhurst Advisors Holdings, LLC, a Delaware limited liability company ("OAH"), with a remaining passive, minority interest held by K&W, LLC, a California limited liability company ("K&W"). K&W, which is owned by a family office, is not involved in Oakhurst's day-to-day management and has limited operating rights. OAH is owned by Lido Oakhurst Holdings, LLC, a Delaware limited liability company ("LOH") and S&R Oakhurst Holdings, LLC, a Delaware limited liability company ("SOH"). LOH is owned by Gregory Kushner, Jason Ozur, Alyssa Weinberger, Ken Stern, Jeffrey Westheimer, and Jeff Garden. SOH is owned by Richard Goldman, Stanley Itskowitch and Chuck Ng. Oakhurst also provides an executive incentive equity program, in which Jason P. Lee, Senior Managing Director – General Counsel and Chief Compliance Officer, participates and receives an ownership interest in Oakhurst. Oakhurst's designated officers are Mr. Goldman, Chief Executive Officer and President, Neil Hueston, President, Liquid Alternatives, Greg Kushner, Senior Managing Director, Jason Ozur, Senior Managing Director, and Mr. Lee.

### B. Advisory Services

Oakhurst advises on two primary classes of investments we refer to as "Liquid Alternatives" and "Illiquid Alternatives," which are described in more detail below (Liquid Alternatives and Illiquid Alternatives collectively, "Oakhurst Funds").

## 1. Liquid Alternatives

Liquid Alternatives are designed to provide specific investment strategies with daily or short-term liquidity. Currently, Oakhurst advises on one Liquid Alternative, Oakhurst Strategic Defined Risk Fund ("OASDX"), a mutual fund, which seeks capital appreciation while seeking to limit short-term risk. Please refer to the OASDX prospectus for more detailed information, a copy of which can be provided upon request. Oakhurst seeks to achieve its investment objective by pursuing a variety of alternative investment strategies, including hedging strategies. These strategies include, but are not limited to:

- **Long/Short:** Long/Short strategies combine long investments with short sales in the pursuit of opportunities in rising or declining markets.
- **Market Neutral:** Market neutral strategies seek to produce consistent returns regardless of market conditions, and typically involve taking long and short positions in closely related instruments, the price movements of which are expected to be significantly correlated.
- **Opportunistic:** Opportunistic strategies seek to generate alpha (the incremental return that active fund managers seek to earn above market benchmarks) by capitalizing on volatility, growth investing, and value investing whenever they believe that market conditions favor one or the other.
- **Credit and Derivatives:** Credit and Derivatives strategies seek to employ the use of leverage and derivative instruments to increase potential gains, which will also increase potential losses.
- **Global Macro:** Global Macro strategies seek to generate capital appreciation through a portfolio of investments representing a variety of globally-oriented or international (non-US) focused long/short equity strategies. Certain investment managers

also make investments in emerging markets.

- **Mortgage-backed Securities:** Our strategy seeks measured exposure to real estate assets through opportunities in the mortgage-backed securities sector.

## 2. Illiquid Investments

Illiquid Investments are designed to provide specific long-term strategies that require indefinite or prolonged holding periods. These investments are typically private funds, other pooled investment vehicles (including a co-investment vehicle owned by principals, consultants and employees of Oakhurst and its affiliates, as well as certain of their beneficial owners), and real estate operating funds that make direct and indirect investments in real estate and debt secured by real estate (each an "Oakhurst Real Estate Fund", collectively the "Oakhurst Real Estate Funds", Oakhurst Real Estate Funds are part of Oakhurst Funds).

The Oakhurst Real Estate Funds employ the following strategies:

- **Income Strategy:** a private real property secured debt strategy that focuses on acquiring loans, including participations and other partial loan interests, secured by real estate that is primarily located in California, Texas, New York and other areas of the Northeastern U.S., but may include any area of the U.S. Income strategies may be executed by Oakhurst separately, or through a joint venture with other managers.
- **Sponsored Real Estate Fund Strategy:** a real estate investment strategy in which unaffiliated sponsors of real estate investment opportunities are identified and investments are made on a side-by-side basis with those sponsors, or in a pooled investment vehicle sponsored by those sponsors. The investment opportunities offered by these sponsors include both real estate equity and real estate secured debt

investment opportunities.

- **Direct Equity Strategy:** strategy that directly and through contracted managers and joint ventures with managers acquires, rehabilitates, manages, holds and sells real estate, which includes, without limitation, multifamily residential real estate and commercial office buildings.

## C. Oakhurst Services

Oakhurst's services, either directly or through its affiliates, are set forth on a client by client basis. In other words, the services provided by Oakhurst for Oakhurst Funds are determined on a fund by fund basis. The terms of these services, which generally vary client by client, are specifically referenced in offering materials or investment management agreements for Oakhurst Funds, among other documents. Refer to these offering materials for these specifics, copies of which may be requested from Oakhurst. Individual investors within each fund client are not able to designate or limit the potential investments by the Oakhurst Funds.

## D. Wrap Fees

Oakhurst does not participate in wrap fee programs.

## E. Assets Under Management

As of December 31, 2019, Oakhurst manages the following client assets on a discretionary and non-discretionary basis:

Type of Account	Regulatory Assets Under Management ("AUM")
Discretionary	\$634,407,389
Non-Discretionary	\$0
Total:	\$634,407,389

## ITEM 5: FEES AND COMPENSATION

### A. Advisory Fees Generally

#### 1. OASDX fees and expenses

OASDX fees and expenses are reflected on the below table. For more detail concerning OASDX fees and expenses, a copy of the prospectus may be requested from Oakhurst. Currently only OASDX institutional class shares are available, these shares require a \$25,000 minimum investment.

OASDX Institutional Shares	
Sales Charge (Load)	\$0
Deferred Sales Charge (Load)	\$0
Management Fees	1%
Shareholder Servicing Fee	0.10%
Other Expenses	1.20%
Total Annual Expenses	2.34%
Fee Waiver/Reimbursement	-0.70%
Total Annual Expenses after Fee Waiver/Reimbursement	1.64%

Currently, OASDX is comprised of mutual funds and other investments that have their own independent expenses, such as brokerage and other expenses discussed in the prospectus. These expenses are not reflected in the table above. Oakhurst has agreed to cap its direct expenses to 1.5% of OASDX's average daily net assets until August 28, 2020. See Item 12 (Brokerage Practices).

#### 2. Oakhurst Real Estate Funds

Historically, Lido Advisors, LLC ("LAL"), an SEC-registered, Los Angeles-based investment adviser that is affiliated with Oakhurst, recommended, among other alternative

investments, investment in the Oakhurst Real Estate Funds. The Oakhurst Real Estate Funds in existence on or before June 28, 2018 were sponsored or operated by S&R Real Estate Advisors, LLC ("S&R"), which was owned and controlled by certain Oakhurst principals. In June 2018, Oakhurst and S&R entered into a business combination. The combined entity is now known as Oakhurst.

LAL negotiated substantial discounts for investments by its clients into the Oakhurst Real Estate Funds when they were managed by S&R. These negotiated fees included an asset management fee in the maximum amount of 0.9% on all capital contributions per annum (which may be further discounted to 0.6% on all capital contributions per annum), and carried interest distributions of up to 10% of net profit. In addition to those fees, Oakhurst receives origination and exit fees with respect to loans which certain Oakhurst Real Estate Funds make and/or acquire in whole or in part, and monitoring fees with respect to individual assets. Investors in certain funds have also been charged other transaction and real property-related fees by third-party operators of funds that S&R funds have invested in, including, for example, acquisition and disposition fees, property and improvement management fees, and loan origination and exit fees. These fees were charged in addition to any fees that LAL charged its clients.

These discounted fees are a result of, in part, the long-standing but then-independent relationships between certain owners of LAL and Oakhurst (formerly S&R owners). See Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading). These fees and any discounts varied based on, for example, the amount of capital invested by the specific LAL client in a particular Oakhurst Real Estate Fund, and whether the specific Oakhurst Real Estate Fund was a "feeder fund" into another fund, certain of which charged fees of their own to investors, or a fund that managed underlying real estate assets (including real property secured debt). See Item 4 (Advisory Business, Advisory Services, Illiquid Investments). Oakhurst intends to honor those pre-existing discounts, and will continue to provide discounts



to LAL clients that invest in Oakhurst Real Estate Funds. Additional information regarding the negotiated fees is available in LAL's Form ADV Part 1B, which is available at <https://adviserinfo.sec.gov>.

Going forward, Oakhurst intends to expand the group of investors that invest in the Oakhurst Real Estate Funds beyond clients of LAL. Oakhurst intends to charge the following fees in connection with the Oakhurst Real Estate Funds to both LAL clients and non-LAL clients, though LAL clients receive a discount in those fees:

Fee Category	Fee Amount
Asset Management Fee (if applicable, fee charged for managing underlying real estate in a fund) calculated on an annual basis and paid quarterly.	Up to 2% of assets under management.
Property Management Fee (if applicable, fee charged based on the amount of gross revenue, including rent, collected with respect to real estate owned by a fund) calculated on an annual basis and paid monthly or quarterly.	Up to 7% of gross revenue.
Asset Manager Oversight Fee (if applicable, fee charged for overseeing contracted asset manager) calculated on an annual basis and paid quarterly.	Up to 2% of assets under management.

Fee Category (cont.)	Fee Amount (cont.)
Performance/Incentive Fee or "Carried Interest" (if applicable, fee charged should a fund's return exceed a certain performance percentage threshold).	A tiered structure that will range from a lower to higher percentage fee dependent on the fund's overall performance and, at its highest level, will be up to 50% of the balance of funds available to distribute following the return of capital invested and the preferred return.
Construction Supervision Fee (if applicable, fee charged for overseeing construction on real estate in a fund) calculated and paid as construction progresses, or aggregated on a monthly or quarterly basis.	Up to 7% of costs.
Acquisition Fee (if applicable, fee charged for acquiring real estate in a fund at the time of acquisition)	Up to 2% of gross acquisition price or aggregate project cost, as applicable, for improved real estate.  Up to 4% of purchase price for land to be developed.
Disposition Fee (if applicable, fee charge for disposing, e.g. selling or transferring, real property in a fund at the time of disposition).	Up to 2% of gross disposition price.

Fee Category (cont.)	Fee Amount (cont.)
Financing/Refinancing Fee (if applicable, fee charged for obtaining financing or refinancing on real estate in a fund at the time of financing or refinancing).	Up to 1% of the principal amount of the loan being obtained.
Due diligence fee (if applicable, fee charged for performing due diligence on an asset in a fund, e.g. real estate or loans) paid on or about the time of the acquisition of an asset, calculated based upon time spent, acquisition price of the asset, amount invested or another basis depending upon the type of asset being acquired.	Up to 2% of capital invested in a particular investment.
Asset monitoring fees (if applicable, fee charged for monitoring specific assets into which an Oakhurst Real Estate Fund is directly or indirectly invested)	Up to \$5,000 per month per asset.

Fee Category (cont.)	Fee Amount (cont.)
Portfolio company monitoring fee (if applicable, fee charged for monitoring specific companies into which an Oakhurst Real Estate Fund is invested), paid monthly or quarterly	Up to 2% of capital invested in a particular investment with respect to the initial 5 years of ownership, and up to 0.4% of capital invested in a particular investment if held for a longer period of time
Loan origination rebate fees (if applicable, rebated fees from loan origination, including direct fees in some jurisdictions at origination)	Up to 1%
Liquidation services fee (a fee to oversee wind-down and liquidation of a fund following disposition of investments)	A flat fee of no more than \$50,000
Carried Interest	A fee based upon profits realized from an investment, which may range from 10% to 40% of profits after investors have received a specified rate of return on their investment.

Fee Category (cont.)	Fee Amount (cont.)
Other fees	Fees directly or indirectly related to fund administration, legal, regulatory, compliance, insurance, and other expenses will be charged to each respective Oakhurst Real Estate Fund, either on a percentage or per hour basis. These costs include, without limitation, legal fees, and other costs, fees and expenses associated with Oakhurst and each Oakhurst Real Estate Fund satisfying its regulatory compliance obligations, including preparing and making regulatory filings, like Form PF, this Brochure, and other portions of Form ADV under the Investment Advisors Act.

Oakhurst has the discretion to change any of the above-described fees charged to both LAL and non-LAL clients. Oakhurst expects in the near future to finalize equity or economic stakes in the managing members or general partners of certain newly-created Oakhurst Funds (or expansion of existing Oakhurst Funds, with respect to such expansion) that are co-sponsored with one or more third parties that will result in additional fees or fee sharing arrangements. By negotiating such stakes, Oakhurst will be able to participate in certain fees, including performance-based fees, with third-party sponsors or operators involved in that specific fund, which are designed to increase Oakhurst's overall economic benefit received from these funds. Oakhurst believes that this arrangement will further align overall economic interests with these funds, third-party sponsors or operators, and investors. As of

the date of this filing, Oakhurst has not entered into this type of arrangement with any fund managing member or general partner. Oakhurst will disclose this arrangement in fund offering materials, including private placement memoranda, should this arrangement exist in the future. See Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

Oakhurst also provides its principals, LAL principals, fund consultants, and certain of its and LAL employees, as well as certain of its beneficial owners, and their respective affiliates, with the opportunity to co-invest through Leviathan Co-Invest I, LLC ("Leviathan"), a co-invest vehicle, in Oakhurst Funds including, but not limited to, Oakhurst Real Estate Funds. Leviathan has a different and materially lower fee (including incentive fee) and expense structure than Oakhurst Funds (and in many cases, investors in Leviathan will not be subject to any fees (including incentive fees). Although Oakhurst believes that this co-investment fund substantially aligns the economic interests in Oakhurst, LAL, their respective employees, Oakhurst Funds, fund consultants and investors in those funds, this arrangement does present potential conflicts of interest. See Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

Oakhurst generally receives a combination of the above fees in connection with Oakhurst Real Estate Funds.

Oakhurst is permitted to, and at times does, change, waive or reduce fees with respect to certain Oakhurst Real Estate Fund investors. Oakhurst generally has the discretion to reduce the fee and the fee amount. The fees that Oakhurst charges for any particular Oakhurst Real Estate Fund are specifically disclosed in the applicable offering materials, a copy of which may be requested from Oakhurst. The expenses for each fund will vary for each Oakhurst Real Estate Fund as disclosed in the relevant offering materials, and will generally include an asset management fee and a performance or incentive fee or "carried interest". When Oakhurst takes an equity or similar economic interest in the managing member or general partner of a co-sponsored fund, these fees are expected to include

additional fee income (including incentive fees or “carried interest”). Oakhurst generally has the discretion to charge the fee and deduct the fee amount from the account of an Oakhurst Real Estate Fund. To the extent that fees that are charged in advance are not earned, the unearned portion is generally deducted from future fees or rebated. Although Oakhurst believes its fees are competitive, the investors in Oakhurst Real Estate Funds should be aware that lower fees for comparable services may be available from other sources.

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

Oakhurst generally receives performance/incentive fees from the Oakhurst Real Estate Funds (i.e., “carried interest”) but does not charge performance/incentive fees to OASDX. Oakhurst therefore has an incentive to favor or take increased investment risk with respect to Oakhurst Real Estate Funds from which it receives these fees over Oakhurst Real Estate Funds from which it does not. Oakhurst mitigates this potential conflict of interest through its Investment Committee, which routinely and periodically reviews Oakhurst Real Estate Funds to ensure Oakhurst adheres to investment allocation requirements (if applicable), and the distinct investment mandate for each fund. Oakhurst’s investment mandates are distinct for OASDX and the Oakhurst Real Estate Funds.

## **ITEM 7: TYPES OF CLIENTS**

### **A. Clients**

Oakhurst provides investment management, advisory, asset management and administrative services, as described above in response to Item 4, to the OASDX and the Oakhurst Real Estate Funds, which are Oakhurst’s clients. OASDX is publicly traded and listed on the New York Stock Exchange (“NYSE”). Investment in Oakhurst Real Estate Funds is generally only available to institutional investors and certain high-net-worth investors that are “accredited investors” within the meaning of the Securities

Act. For certain Oakhurst Real Estate Funds, investment is further limited to “qualified clients”, “qualified purchasers”, or non-“U.S. persons” within the meaning of the Securities Act, the Investment Advisers Act and the Investment Company Act, as applicable. Oakhurst Real Estate Funds generally have a specified minimum investment amount as set forth in their offering materials, disclosure documents and/or governing documents. These minimum amounts are subject to discretion, on the part of Oakhurst to permit investments of a smaller amount generally or with respect to any investor. At the present time, Oakhurst does not provide client services to individuals, unaffiliated entities, or separately managed accounts.

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

### **A. Methods of Analysis and Investment Strategies**

#### **1. OASDX**

Under normal circumstances, OASDX invests in a portfolio of equity securities of companies that are representative of the S&P 500 Index (“Index”) or in ETFs that are designed to replicate the performance of the Index or whose holdings are representative of the Index. The Index is a market capitalization weighted index of the 500 largest U.S. publicly traded companies by market value. OASDX’s investments in ETFs may include ETFs that seek to track the performance of the Index, but the performance of the OASDX is not intended to match the performance of the Index. OASDX will simultaneously use options on ETFs and U.S. Treasury securities to enhance the OASDX potential returns during up markets while seeking to limit losses during down markets. OASDX investment strategy utilizes multiple approaches, including investing an equity portfolio of companies that are representative of the Index; writing (selling) call options against the OASDX’s equity positions that are covered by cash or U.S. Treasury securities; purchasing and/or selling combinations of Index-related puts and put spreads and calls and call

spreads; and purchasing U.S. Treasury securities.

OASDX will write call options with strike prices and expiration dates designed to reduce the volatility of the OASDX's investment portfolio and to earn premiums. A call option gives the holder (buyer) the right to purchase a security at a specified price (the exercise price) at any time until a certain date (the expiration date). OASDX will use cash or U.S. Treasury securities to cover the written call options. OASDX may utilize put options to lower the overall volatility of the OASDX's investment portfolio, to "hedge" or limit the exposure of OASDX's position. OASDX will also invest in U.S. Treasury securities.

## 2. Oakhurst Real Estate Funds

As noted above in Item 4, Oakhurst advises the Oakhurst Real Estate Funds which invest primarily in real estate investments and real estate-secured loans. Oakhurst analyzes its investments and performs due diligence using a combination of qualitative and quantitative information, including, but not limited to, real property specific information (including appraisals and income modeling), news, financial publications, internal and external research reports, interviews, and prospectuses, including primary and secondary local and regional market research. Strategies for Oakhurst Real Estate Funds vary by fund, and include current income, capital appreciation, asset repositioning, and new development.

Oakhurst provides no assurances that investment strategies in either OASDX or in the Oakhurst Real Estate Funds will ultimately meet client objectives. Oakhurst's investments bear risk, some more than others, and an investor should be prepared to assume those risks, including the potential for complete loss of its investment.

## B. Material Risks

### 1. OASDX

Investments in OASDX are subject to investment risks,

including the possible loss of some or the entire principal amount invested. There can be no assurance that OASDX will be successful in meeting its investment objective.

- **Active Management Risk:** OASDX actively managed and subject to the risk that the Advisor's use of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause the OASDX to lose value.
- **Correlation Risk:** OASDX's investment strategy of buying and selling options will result in performance that differs from that of the Index. The call options written by OASDX will limit OASDX's opportunity to participate in increases when the ETFs in which OASDX invests perform well.
- **Derivatives Risk:** OASDX buys and sells options, which are instruments that derive their performance from underlying equity securities, also referred to as "derivatives." Derivatives can be volatile, and OASDX could experience a loss if its derivatives do not perform as anticipated, or are not correlated with the performance of their underlying security or index.
- **Equity Risk:** OASDX invests in common stocks or ETFs that invest in common stocks and options that derive their performance from the S&P 500 Index, which is made up of common stocks. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change.
- **Exchange-Traded Funds Risk:** The risks of investments in ETFs reflect the risks of the underlying instruments in which the ETF invests. When OASDX invests in ETFs, shareholders of OASDX indirectly bear a proportionate share of the ETF's fees and expenses, as well as their share of OASDX's fees and expenses. As a result, an investment by OASDX in an ETF could cause OASDX's operating expenses (taking into account indirect expenses such as the

fees and expenses of the ETF) to be higher and, in turn, performance to be lower than if the OASDX were to invest directly in the instruments held by the ETF. Trading on an exchange does not guarantee a liquid market will exist for an ETF. ETFs may trade at a premium or a discount to their net asset value.

- **General Market Risk:** The value of OASDX's shares will fluctuate based on the performance of OASDX's investments and other factors affecting the securities markets generally.
- **Large Capitalization Risk:** Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Larger companies also may not be able to attain the high growth rates of successful smaller companies.
- **Leverage Risk:** Some transactions may give rise to a form of economic leverage and may expose OASDX to greater risk and increase its costs. Leverage can magnify OASDX's gains and losses, and therefore increase its volatility.
- **Management Risk:** Oakhurst's investment strategies for OASDX may not result in an increase in the value of an investor's investment or in overall performance equal to other investments, and the investor's investment may lose value.
- **New Fund Risk:** OASDX has a limited operating history and may not attract sufficient assets to achieve or maximize investment and operational efficiencies.
- **Options Risk:** Options transactions involve special risks that may make it difficult or impossible to close a position when the Fund desires. A fund that purchases options, which are a type of derivative, is subject to the risk that gains, if any, realized on the position, will be less than the amount paid as premiums to the writer of the option. A fund that

writes covered call options gives up the opportunity to profit from any price increase in the underlying security above the option exercise price while the option is in effect.

- **Tax Risk:** OASDX's investments in options may subject the Fund to special tax rules, the effect of which may be to accelerate income to the Fund, defer losses to the OASDX cause adjustments in the holding periods of OASDX's securities, convert long-term capital gains into short-term capital gains or convert short-term capital losses into long-term capital losses. Premiums earned by the OASDX from its use of options investments are treated as short-term capital gains, and are taxable as ordinary income.
- **U.S. Government Securities Risk:** Investing in securities backed by the U.S. Treasury or the full faith and credit of the U.S. government are guaranteed only as to the timely payment of interest and principal when held to maturity. Accordingly, the current market values for these securities will fluctuate with changes in interest rates.
- **Valuation Risk:** The sales price the Fund could receive for any particular portfolio investment may differ from the OASDX's valuation of the investment. Investors who purchase or redeem OASDX shares on days when the OASDX is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the Fund had not fair-valued the security or used a different valuation methodology.

## 2. Oakhurst Real Estate Funds

Oakhurst seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify investment opportunities based on the facts and

circumstances surrounding an investment and to identify possible risks associated with that investment, and factors that might cause an investment to be desirable or undesirable. When conducting due diligence and making an assessment regarding an investment, Oakhurst relies upon public and private information derived from a variety of sources, including, but not limited to, sponsors of an investment opportunity, local real estate and mortgage brokers, third-party investigations and reports (including appraisal and property condition reports), and other sources based upon the nature of the investment opportunity. As a result, the due diligence process can at times be subjective. Accordingly, Oakhurst cannot be certain that its due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts (including fraud) that would be necessary or helpful in evaluating such investment opportunity.

Oakhurst's real estate-oriented investments involve a significant risk of loss, including, but not limited to, complete loss of any initially invested capital or principal. Oakhurst's investments are subject to various market, currency, economic, political, and business risks, and these investment decisions are not always profitable. Moreover, there is risk that the initial principal or equity will be lost due to these risks. Investors must be prepared to bear these risks and the possibility of total loss for any Oakhurst investment. Oakhurst cannot and does not make any assurance that any investment will successfully meet a client's (or an investor's) expectations.

**Before investing, investors should:**

- Commit assets that can be invested on a long-term basis, usually a minimum of three to seven years; and
- Understand that volatility from investing can occur and the performance of recommended investments can fluctuate widely; and, during the course of its investment, the client's assets are frequently valued at more or less than the amount invested.

Oakhurst Real Estate Funds typically make investments for the long-term. However, Oakhurst Real Estate Funds have had business plans that involve shorter holding periods than would be typical and are expected to do so in the future, depending on the strategy of those funds. The nature of each Oakhurst Real Estate Fund is described in the governing documents and/or the disclosure documents associated with that fund.

Prospective investors in Oakhurst Real Estate Funds should review all offering materials, including private placement memoranda, if applicable, before investing as these materials provide important information about the investment's terms and conditions, risk factors, and potential conflicts of interest. On a limited basis with respect to certain investments, LAL also provides its investors additional material to highlight important information concerning the alternative investment.

While the following outlines the risks generally associated with real estate-oriented investments, prospective investors in Oakhurst Real Estate Funds should review all offering materials and governing documents, which generally describe additional investment specific risks:

- **Real Estate Market Risk:** Real estate investments are subject to risks incident to the ownership of real estate and risks incident to the ownership of real estate assets, many of which are beyond the control of Oakhurst, including, without limitation, (i) risks associated with the general economic climate; (ii) local real estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (vi) the financial condition of tenants, buyers, and sellers of properties; (vii) energy and supply shortages; and (viii) construction related risks and liabilities, including, without limitation, liability for construction defects, some of which may become known years after a project is sold.



- **Real Estate Valuation Risk:** The value of real estate is generally appraised upon purchase. Over time, the value of real estate can vary widely depending on market conditions. There is no guarantee or assurance that the carried value reflects a value that a buyer would be willing to pay.
- **Competition Risk:** Other entities, including private investment firms, institutional investors, partnerships, and corporations, are engaged in the business of investing in real estate assets, many of which have greater financial, analytical, management and other resources at their disposal. There is no guarantee or assurance that Oakhurst will be able to compete with such firms.
- **Americans with Disabilities Act:** It is likely that an underlying parcel of real estate related to an Oakhurst Real Estate Fund investment will be required to comply with the Americans with Disability Act of 1990 (the "ADA"). Compliance with the ADA could require substantial capital expenditures to remove access barriers and noncompliance could result in imposition of fines by the federal government or an award of damages and attorney's fees (which could exceed the cost of remediation) to private litigants, or both. Investors should carefully review the risk factors section in the relevant offering documents for complete information.
- **Environmental and Catastrophic Event Risk:** Investing in any Oakhurst Real Estate Fund is also subject to possible loss due to uninsured losses from hazardous contamination and other environmental liabilities, and disasters such as fire, earthquakes, floods, tsunami, terrorist attacks, etc. Investors should carefully review the risk factors section of the relevant offering documents for complete information.
- **Environmental Regulation Risk:** Investing in any Oakhurst Real Estate Fund is also subject to possible loss due to various federal, state and local environmental laws that impose liability for the costs of the investigation, removal, and remediation of hazardous or toxic substances on real property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Some governmental agencies have so-called "super priority" lien rights to recover amounts expended on environmental clean-up and other expenses, giving the governmental agency "first" priority lien rights, which exposes lenders and owners to a greater likelihood of incurring losses in connection with environmental liability in those jurisdictions. In addition to clean-up actions brought by federal, state, and local agencies, the presence of hazardous substances on a property could result in personal injury or similar claims by third-party plaintiffs. Investors should carefully review the risk factors section in the relevant offering documents for complete information.
- **Housing Regulation Risk:** Housing and housing policy is highly regulated at all levels of government, and various governmental and quasi-governmental entities regulate and/or subsidize housing and housing activity. Changes in how housing is regulated, subsidized and financed could have a material adverse effect on certain Oakhurst real-estate oriented investments, including, without limitation, (i) proposals to change or disband governmental and quasi-governmental entities providing financial support for housing through the purchase of home mortgages and the issuance of guarantees or otherwise, and (ii) changes in investment patterns of the Federal Reserve Board, which in recent years has supported housing through the purchase of mortgage-backed securities.
- **Capital-Deployment Risk:** Certain Oakhurst Real Estate Funds, especially those that acquire interests in investment opportunities sponsored by third parties, often do not have immediate opportunities



to deploy investor capital. Although an investor makes an up-front commitment to invest a certain amount in an Oakhurst Real Estate Fund (and in some cases fully or partially funds that commitment), that investment is typically not immediately utilized because Oakhurst (or the third party) has not yet identified appropriate investment opportunities. In such cases, the investor's investment will remain unused until such opportunities are available, which will have an immediate and detrimental impact on an investor's overall expected and actual return.

- **Tax Risk- Passthrough Tax Liability:** Oakhurst Real Estate Funds are generally structured as limited partnerships, or other types of entities that are taxed as partnerships. As a result, an investor will receive K-1s reflecting the investor's limited partnership or membership interest and allocations associated with that interest. In addition, depending on the nature of the Oakhurst Real Estate Fund, these K-1s will be issued for multiple states, resulting in an investor being required to file tax returns and pay taxes in those states. Finally, an investor will be required to file tax filing extensions in cases where these K-1s are not issued (or unable to be issued) until after the tax deadline.
- **Tax Risk – Fund Taxes:** Oakhurst Real Estate Funds may be subject to various types of taxation, including real property value-based taxes, and local taxes. Changes in real property tax rates and tax rates for other types of taxes, along with changes in the deductibility of those taxes, may adversely affect the amount of cash available to investors in Oakhurst Real Estate Funds, which may result in the depletion of reserves held by an Oakhurst Real Estate Fund and the need for an Oakhurst Real Estate Fund to raise additional capital. If additional capital is required, there is no assurance that an Oakhurst Real Estate Fund will be able to raise additional capital on a timely basis, or at all.
- **Bridge Loans Financing Risk:** With respect to certain

investments of Oakhurst Real Estate Funds, Oakhurst obtains bridge loans, or bridge equity, to initially fund the investment, in advance of receiving funds from investors. If Oakhurst obtained a bridge loan or bridge equity, that bridge loan (equity) is typically structured so that investor monies will be used to repay the bridge loan or return the bridge equity, including any accrued and unpaid or undistributed interest or preferred return. In those circumstances, amounts otherwise distributable to the investor will be used to satisfy the interest or preferred return obligation until it is paid in full, which will have an adverse impact on the timing of returns and expected and actual performance.

- **Performance-Based Fee Incentive Allocation Risk:** Going forward, Oakhurst Real Estate Funds are generally expected to impose performance-based fees or incentive allocations payable to Oakhurst or one of its affiliates. Those performance-based fee or incentive allocation structures create an incentive for Oakhurst (or its affiliate) to make investment choices that are riskier or more speculative than would be the case in the absence of a performance-based fee/incentive allocation structure. When applicable, the performance-based fee structure could also cause Oakhurst (or its affiliate) to devote a disproportionate amount of time to manage these investments, and cause the compensation to Oakhurst (or its affiliate) to be larger than it otherwise would have been because the fee/incentive allocation is based on account performance instead of a percentage of assets under management. See Item 6 (Performance-Based fees and Side-by-Side Management).
- **Leverage:** Many Oakhurst Real Estate Funds employ the use of leverage, which also creates additional risk. Leverage is the use of debt to finance an activity, which is generally secured by assets. Leverage can exist both at the Oakhurst Real Estate Fund level (i.e. the fund itself is the borrower), or inside of underlying investments in which an Oakhurst Real Estate Fund

invests. While leverage can operate to increase rates of return, it also increases the amount of risk inherent in an investment and magnifies losses.

- **Foreclosure Risk:** If the real estate investments are obtained by a loan and the borrower is unable at any time to make the loan payments, the holder of the note may foreclose or take other actions to protect its investment to the extent permitted by the terms of such loan, which could result in loss of the relevant real estate investment (and other collateral securing that loan).
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power generally erodes at the rate of inflation.
- **Opportunity Cost Risk:** The risk that in selecting to invest funds in a particular investment, an investor will not be able to invest those funds in other investments, which will result in the investor foregoing potential profits or returns from those other investments.
- **Cybersecurity Risk:** With the increased use of technologies such as the Internet to conduct business, Oakhurst Real Estate Funds are susceptible to operational, information security, and related risks. Cyber incidents affecting a Oakhurst Real Estate Fund or its service providers may cause disruptions and impact business operations, potentially resulting in financial losses, the release of private investor information or other confidential information, impediments to processing transactions, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.
- **Insurance Availability, Adequacy and Cost:** Insurance for certain activities of, and risks incurred by, Oakhurst Real Estate Funds may not be available,

or the amounts of insurance that are available or amounts of insurance actually purchased may not be adequate to reimburse the Oakhurst Real Estate Fund for the losses and costs incurred with respect to those activities and risks (e.g. casualty losses, legal liabilities arising from operations, natural and man-made disasters and terrorism). Additionally, the cost of obtaining insurance coverage varies over time, and at times may be prohibitive. As a result of the foregoing, Oakhurst Real Estate Funds may suffer unrecoverable losses, which may materially and adversely affect investments in Oakhurst Real Estate Funds. Additionally, the cost of obtaining and maintaining insurance may rise faster than revenue for an Oakhurst Real Estate Fund, which would reduce the amounts that are distributable to investors.

The following outlines the risks specific to investments in mortgages and deeds of trust (which is in addition to the above risks associated with real estate-oriented investments generally):

- **Valuation Risk:** The value of the underlying property is appraised as of a specific date. There is no guarantee or assurance that the appraised value reflects a value that a buyer would be willing to pay.
- **Borrower Risk:** The borrower's ability to continue to make payments and repay the loan will depend upon the borrower's financial condition, which could change over time.
- **Default Risk:** Default by the borrower could affect monthly payments. Under extreme cases, we may determine it to be necessary to foreclose or take other actions to protect the Oakhurst Real Estate Fund's investment. The total amount received upon foreclosure could be more or less than the total amount invested.
- **Senior Lien Risk:** The risk that a senior secured lender or

another holder of a senior lien encumbering real property collateral for a loan forecloses on their lien, which would result in junior lenders and lien holders no longer holding collateral for their loans and other obligations.

- **Bankruptcy Risk:** If a borrower files a reorganization or full insolvency bankruptcy, the foreclosure process could be stalled. Additionally, investors could incur significant legal fees and costs in attempting to obtain relief from the bankruptcy filing. (Relief consists of getting court approval to release the property out of the bankruptcy so that the property can be foreclosed upon.) Furthermore, the court could modify the terms of the loan by extending the due date, changing the interest rate and/or payment structure, causing a portion of the loan to be unsecured, or causing the priority of the loan to be subordinated to a bankruptcy court-approved financing plan.
- **Control Risk:** In addition, to the extent that an Oakhurst Real Estate Fund invests in an investment opportunity of another sponsor, or if the Oakhurst Real Estate Fund does not otherwise control the underlying investment asset, Oakhurst would be a minority or non-controlling investor in the underlying opportunity and would not have substantial management rights or voting control rights. Therefore, neither Oakhurst nor investors in those Oakhurst Funds would have the power to exercise significant control over the activities of the underlying company or investment asset, and thus, must rely upon the judgment and experience of the underlying company and its managers, officers, directors, employees and affiliated individuals and entities (or those in control of the underlying investment asset).

Additional risks include economic conditions, neighborhood values, interest rates, the supply of and demand for properties of like kind, the ability of the borrower to obtain necessary alternative financing and certain city, state and/or federal regulations. Investing in any general real estate investment also is subject to possible loss due

to uninsured and unpredictable losses from acts of nature or systemic shocks such as earthquakes, floods, tsunamis, terrorist attacks, and acts of war. Investors in Oakhurst Real Estate Funds should carefully review the risk factors section in the relevant offering documents for complete information. These investments are often also concentrated geographically, which increases the likelihood and the impact of any such event. These risks are in addition to the principal risks associated with investing in a private investment vehicle, which are outlined in their respective offering materials provided to prospective investors prior to investing.

Additional conflicts of interest and policies to address those conflicts are disclosed in Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

## Item 9: DISCIPLINARY INFORMATION

Oakhurst is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of Oakhurst or the integrity of its management. Oakhurst does not have any of these legal or disciplinary events and thus has no information to disclose with respect to this Item 9.

## Item 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### A. Other Financial Industry Activities

#### 1. Registered Representative Affiliations

Mr. Kushner is an officer and principal of Oakhurst. He is also a Registered Representative ("RR") and a branch manager of Investment Securities Corporation ("ISC"). ISC is a SEC-registered broker dealer and FINRA member. Oakhurst and ISC are separate, non-affiliated entities. Mr. Kushner conducts securities brokerage and related

business through ISC and receives commissions and other fees as a result. See Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

## 2. Other Investment Advisor Affiliations

### – Primary Business Activities

Messrs. Kushner, Ozur, Westheimer, Stern, Lee, and Garden and Ms. Weinberger are all principals of LAL. As employees and/or principals, each of those identified individuals works for LAL on a full-time basis and will only be able to devote a limited amount of time to the business of Oakhurst. As described elsewhere in this Brochure, LAL is an SEC-registered investment advisor from which Oakhurst sublets office space. See Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading). LAL also recommends investments in Oakhurst Real Estate Funds to its clients, subject to concentration limits and client consent and disclosure.

## 3. Passive Ownership Interests / Passive Investment Affiliations

**K&W:** K&W is a passive owner of Oakhurst. K&W is also a client of LAL and an investor in the Oakhurst Funds. Due to these relationships, potential conflicts of interest exist, such as Oakhurst favoring K&W over other investors or Oakhurst providing preferential or sole access to certain recommended investments, including making Bridge Loans (as defined below, which includes making bridge equity investments) to facilitate the creation of Oakhurst Real Estate Funds. K&W and its affiliates, by virtue of their investment experience, sophistication, risk tolerance, and substantial net worth, can and do invest in certain investments that would not be suitable for all but a few clients. See Item 4 (Advisory Business) and Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

**Lido Flamingo, LLC** ("LF") was created to purchase and

hold minority interests in real estate-related investments, which include those sponsored or operated by Oakhurst. LF members include Mr. Kushner, Mr. Ozur, Mr. Westheimer, Ms. Weinberger, and their family members. Mr. Kushner and Mr. Ozur serve as LF's Managing Members. LF's interest often represents a significant minority interest in those investments. These investments could also be suitable for an Oakhurst Real Estate Fund. Additionally, one or more investors in Oakhurst Real Estate Funds have participated in the same investments as LF. LF generally advises Oakhurst of investments it is considering, and those investment opportunities are made available to Oakhurst. Oakhurst mitigates this potential conflict by precluding affiliated individuals or parties from investing, outside of certain contractual obligations to do so, if investor demand meets or exceeds the fund's available capacity.

- **AG Associates, LLC** ("AG") is co-managed by Mr. Goldman. He and certain Oakhurst principals and clients of LAL are members and managers of AG. Pursuant to the Oakhurst Consulting Agreement, formerly an agreement between S&R and LAL, AG is to invest up to \$250,000 in any Oakhurst-affiliated investment, which is intended to be a side-by-side investment with investors in Oakhurst Real Estate Funds. Oakhurst principals or entities owned or controlled by them are members of AG and have invested in AG opportunities in the past. The LAL clients and managers, and investors in Oakhurst Real Estate Funds that are members and/or managers of AG became involved or associated with AG prior to them becoming investors in Oakhurst Real Estate Funds. In the past AG has separately invested in investment opportunities in which one or more Oakhurst Real Estate Funds also invested, which were separate from, and in addition to AG's investments pursuant to the Oakhurst Consulting Agreement. AG has ceased co-investing in Oakhurst Real Estate Funds and, in its stead, this side-by-side investment activity has and is expected to continue through Leviathan (defined and described below), which could reduce the amount of a particular investment

opportunity that is available to an Oakhurst Real Estate Fund, depending upon the size and terms of such opportunity. Oakhurst mitigates this potential conflict by precluding affiliated individuals or parties from investing, outside of the noted contractual obligations to do so, if investor demand meets or exceeds the fund's available capacity.

- **Leviathan Co-Invest I, LLC** ("Leviathan") is managed by Mr. Goldman on behalf of Oakhurst. Mr. Goldman is an Oakhurst principal; Mr. Ozur is both an Oakhurst and LAL principal. They and certain Oakhurst principals, LAL principals, fund consultants, and certain of Oakhurst's and LAL's executives and employees, as well as certain of its beneficial owners, and their respective affiliates, are expected to become members of Leviathan. Leviathan (or a similarly structured fund having the same management structure) is expected to invest in most or all Oakhurst-affiliated investments, which investment is intended to be a side-by-side investment with investors in Oakhurst Real Estate Funds. Oakhurst and LAL principals or entities owned or controlled by them are expected to become members of Leviathan and have invested in similar opportunities through AG in the past. This side-by-side investment activity is expected to occur in the future, which could reduce the amount of a particular investment opportunity that is available in an Oakhurst Real Estate Fund, depending upon the size and terms of such opportunity. Oakhurst mitigates this potential conflict by precluding affiliated individuals or parties from investing, outside of the noted contractual obligations to do so, if investor demand meets or exceeds the fund's available capacity.
- **Mapleton Capital Management, LLC** ("Mapleton") is a hedge fund manager in which Mr. Goldman is a non-managing member and principal. LAL recommends investments in Mapleton funds to its clients. Mapleton and Oakhurst both sublease office space from LAL and share common areas, some

internet and other telecommunication facilities, and supplies.

- **Lido Bellagio, LLC** ("LB") was created to participate in a variety of investment opportunities, including, among others, equity investments, alternative investments, and real estate investments. LB members include Mr. Kushner, Mr. Ozur and Ms. Weinberger. Members may invest at their individual discretion. In general, investments made by LB do not meet investment criteria applicable to the significant majority of clients due to, among other things, investment size or risk.
- **Lido Advisors, LLC** ("LAL") is an SEC-registered, Los Angeles-based investment advisor that offers a variety of services, including, but not limited to, investment management and asset allocation, financial planning, family office services, and retirement and estate planning. LAL offers these services to high-net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other types of business entities. Principals or partial owners of this affiliated investment adviser include Messrs. Kushner, Ozur, Westheimer, Stern and Lee, and Ms. Weinberger. Oakhurst sublets office space from LAL and many of the investors in Oakhurst Real Estate Funds are LAL clients.
- **Paladin Solutions, LLC, Paladin Funds I, LLC and Paladin Fund II, LLC** ("Paladin Entities") were established in order to invest in the opportunity of acquiring defaulted residential mortgages from large mortgage institutions. Members and partial owners of these entities include Richard Goldman, who is also their Co-Chief Executive Officer. Two investors in Oakhurst Real Estate Funds, who are also LAL clients, invested in Paladin-sponsored funds.
- **R & R Realty Advisors, Inc.** ("R&R"), is the manager, general partner and sponsor of several real estate investments funds that invest in single and multi-

family residential developments that are developed by Thomas James Homes. Many investors in Oakhurst Real Estate Funds have invested in real estate investment funds sponsored by R&R. Richard Goldman is the Chairman of R&R, and many LAL clients have invested in funds sponsored by R&R.

- **LAL client or owner investment opportunities** –

From time to time, LAL clients or owners present certain investment opportunities to Oakhurst Real Estate Funds and that Oakhurst deems suitable for investment. Such opportunities and investments present conflicts of interest in that Oakhurst Real Estate Funds may be biased in favor of these opportunities due to the relationship between Oakhurst and LAL and that these LAL clients or owners will benefit when an investment is made by the relevant Oakhurst Real Estate Fund. In order to mitigate these conflicts, Oakhurst performs due diligence on these opportunities and determines, prior to investment, that the investment is not only suitable for the fund but also presents at least the same potential benefits and involve standard terms and conditions as other available third-party opportunities reasonably then known to Oakhurst. To date, Oakhurst Real Estate Funds have made two investment in LAL client or owner related opportunities, which were also disclosed by the relevant Oakhurst Real Estate Fund.

- **Other Passive Investments/Affiliations** – Oakhurst principals are from time to time introduced to certain investment opportunities from their clients, from family members of their clients, and from a variety of other sources. The principals conduct their own independent due diligence and obtain approval from Oakhurst's Chief Compliance Officer ("CCO") to participate in these investments. Most if not all of

these investments are deemed too speculative for Oakhurst Funds. In instances where Oakhurst believes that the opportunity is suitable for an Oakhurst Fund, Oakhurst will utilize or establish an Oakhurst Fund to pursue that opportunity, in which case criteria for determining suitability will be established and Oakhurst will then obtain an indication of interest from existing investors in Oakhurst Funds and investment advisors with which Oakhurst conducts business, including LAL.

See Items 10 (Other Financial Industry Activities and Affiliations and Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

#### 4. Subletting Activities

Oakhurst subleases office space and subcontracts information technology equipment and services from LAL. These fees and activities performed by both LAL and Oakhurst, and the proximity of the Oakhurst to LAL create potential conflicts of interest. See Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

#### 5. Eligibility Pursuant to Section 4.5 of the Commodity Exchange Act

Oakhurst has filed a Notice of Eligibility pursuant to Commodity Futures Trading Commission Regulation ("CFTC") Regulation 4.5(a)(1), on its behalf, and CFTC Regulation 4.5(b)(1), on behalf of OASDX. Pursuant to the requirements of this Notice of Eligibility, Oakhurst has claimed an exclusion from the definition of the term "commodity pool operator: under the Commodity Exchange Act and, therefore, is not subject to registration or regulation as a pool operator under the Commodity Exchange Act.

<sup>1</sup>TJC related funds are managed and operated by Richard Goldman and the other co-owner of R&R through R&R's role as the general partner or manager of those funds. See Items 4 (Advisory Business) and 11 (Code of Ethics, Potential Conflicts of Interest).



## B. Affiliations

Mr. Kushner is also a member, partial owner, Senior Managing Director and Chairman of LAL, and the founder and President of Lido Consulting, Inc., a consulting firm specializing in providing education and other services to family offices and high-net-worth individuals. Lido Consulting does not provide investment advice or offer, purchase, or sell securities. Mr. Kushner also serves as the managing member for several limited liability companies that invest in commercial and residential real estate, both directly and through investments in private limited partnerships, including certain Oakhurst Real Estate Funds. The LLC members are family members and close friends and the main purpose of each LLC is passive real estate investing. While Mr. Kushner serves as the managing member for the LLCs, he is not involved in the day to day management of the various properties. Additionally, Mr. Kushner serves as trustee to two family related trusts and as CFO to a family foundation, and all three are clients of LAL. Also, Mr. Kushner serves as CFO and is a shareholder of a California corporation that performs real estate management services. This company does provide management services to some of the real estate invested in by the family LLCs. Mr. Kushner spends the substantial majority of his work time performing his duties to LAL, and less than 10% of his work time performing his duties for Oakhurst and the other entities referred to above.

It is not currently anticipated that Mr. Kushner will provide substantial amounts of time managing or supervising the businesses of Oakhurst.

Mr. Westheimer is a partial owner and Senior Managing Director of LAL. Mr. Westheimer is also the owner of 10 Fifteen Consulting, which is a sole proprietor that provides non-investment related business consulting services. Additionally, Mr. Westheimer is a managing member of a limited liability company, which invests in various commercial and residential real estate, both directly and through investments in private limited partnerships, including certain alternative investments with client investments. Mr. Westheimer spends the substantial

majority of his work time performing his duties to LAL, and less than 5% of his work time performing his duties for Oakhurst and the other entities referred to above. It is not currently anticipated that Mr. Westheimer will provide substantial amounts of time managing or supervising the businesses of Oakhurst.

Mr. Ozur is also a partial owner and Senior Managing Director, and President of LAL. Mr. Ozur also provides back office, accounting and related services to certain alternative investments, including private funds managed by Mapleton Capital Management, LLC and related entities, and funds sponsored by R&R for which Thomas James Homes and its affiliate companies ("TJC") is the developer and/or asset manager. Additionally, Mr. Ozur is a managing member of a limited liability company that invests in commercial and residential real estate, both directly and through investments in private limited partnerships, including certain alternative investments with client investments. Mr. Ozur spends the substantial majority of his work time performing his duties to LAL, and less than 5% of his work time performing his duties for Oakhurst and the other entities referred to above. It is not currently anticipated that Mr. Ozur will provide substantial amounts of time managing or supervising the businesses of Oakhurst.

Mr. Stern is a LAL principal and is also the owner and licensed insurance agent (California Insurance License #0797337) of Asset Planning Solutions, Inc. ("APS"), an unaffiliated insurance agency. As an insurance agent, Mr. Stern recommends certain insurance products to LAL clients, among others and generally receives typical commissions or fees for doing so. Additionally, Mr. Stern serves as the Managing Director for APS Holdings, Inc. ("APS Holdings"), the holding company for APS. Through APS Holdings, Mr. Stern also is Managing Director of APS/Hill Street Partners, LLC ("APS/HSR") which is a real estate syndication firm. Among other things, APS/HSR serves as managing member of the Churchill Fund II, LLC (the "Churchill Fund II"), a real estate investment fund. Also, through 5X International, LLC ("5X International"),

in addition to his role as Managing Director, Mr. Stern is a consultant/business manager and also has authored and published several books and DVDs on money management. From time to time, he hosts various personal finance and financial planning television and radio shows and also periodically serves as a consultant for various companies through 5X International. Mr. Stern receives no compensation from Oakhurst, and spends the substantial majority of his work time performing his duties to LAL.

Mr. Kushner, Mr. Ozur, Ms. Weinberger, Mr. Goldman and Mr. Westheimer invest through affiliated entities in alternative investments in which clients also invest, which creates a potential conflict of interest. Certain pooled investment vehicles, including certain vehicles that are exempt from SEC registration as private funds, are limited by the number of investors due to, among other things, applicable law and regulations or the investment's structure. Oakhurst principals' investments under these circumstances can, therefore, result in a displacement of other investors. In other words, Oakhurst principals' investment will have used a "slot" that would otherwise have been available to other investors. Oakhurst addresses the potential conflicts through its Code of Ethics that includes pre-approval and reporting requirements of certain personal securities transactions by Oakhurst principals, directors, officers, agents or employees ("Associated Persons"), including these investments, and through disclosures to clients. Further, as noted above, Oakhurst mitigates this potential conflict by precluding these investments, outside of certain contractual obligations to do so, if investor demand meets or exceeds the fund's available capacity.

Ms. Alyssa Weinberger, is a LAL Investment Advisor Representative ("IAR") and a partial owner of LAH, the parent company of LAL, and a principal of Lido Consulting, Inc.

Jeff Garden is a LAL Director and Chief Investment Officer. He oversees certain of LAL's investment strategies.

Jason P. Lee is a LAL principal and Senior Manager Director, General Counsel, and Chief Compliance Officer.

Richard Goldman, an attorney, is also a member of AG, which invests in Oakhurst Real Estate Funds pursuant to the Oakhurst Consulting Agreement, and the Chief Executive Officer of R&R. Mr. Goldman is also a member of Mapleton, which is a sponsor of investment funds, and the Co-Chief Executive Officer of the Paladin Funds.

Stanley Itskowitch is also a member of AG, and its principal due diligence analyst for real estate-oriented investment opportunities. Mr. Itskowitch also devotes time to providing tax preparation and due diligence services to a family office, of which he is a member.

Chuck Ng is also a principal of 5Ngs Advisors, Inc., a real estate investment advisory firm that specializes in acquisition, disposition, financing, leasing and asset management.

For negotiating and executing on transactions in the Oakhurst Real Estate Funds, Oakhurst utilizes the services of a large, sophisticated law firm in the Los Angeles area in which one of the Oakhurst's principal's son is an associate.

Partner Fund Services, LLC ("PFS"), which is the fund administrator for all of the Oakhurst Real Estate Funds, is 100% owned by the spouse of an Oakhurst principal and employs, in an administrative capacity, a family member of another Oakhurst principal.

See Items 10 (Other Financial Industry Activities and Affiliations).

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

### **A. Code of Ethics Summary**

Oakhurst has adopted a Code of Ethics ("Code") in compliance with Advisors Act Rule 204A-1. The Code establishes standards of conduct for supervised persons



and includes general requirements that supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, potential conflicts of interest and confidentiality of client information.

The Code reflects policies reasonably designed to prevent the unlawful use of material, nonpublic information by Oakhurst or any of its associated persons. The Code also requires that certain of Oakhurst's personnel (called "Access Persons") report their personal securities assets and transactions and obtain pre-approval of certain investments, including initial public offerings and limited offerings. Other than certain exceptions that are outlined in the Code, Oakhurst's Access Persons generally are not permitted to effect transactions for themselves or for their immediate family members (i.e., spouse, minor children, and adults living in the same household as the Access Person) within three (3) business days before and one (1) business day after any client transaction in the same security or when otherwise in violation of the Code or federal securities laws.

The Code also requires supervised persons to report any violations of the Code promptly to the CCO.

Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year. Oakhurst will provide a copy of its Code of Ethics to any client or prospective client upon request.

Consistent with the Code, the following is a summary of Oakhurst's potential conflicts of interest:

Oakhurst-related potential conflicts of interest	
Entities/Individuals	Description
K&W, LLC	K&W, LLC is a client and minority owner of Oakhurst. K&W participates in Oakhurst's profitability and has certain limited ownership rights. K&W, however, is not involved in Oakhurst's day-to-day operations. The principals of K&W have made, and are likely to continue to make, investments in Oakhurst Real Estate Funds and are the founding majority investor in the OASDX. As both an LAL client and owner, and an Oakhurst owner, there are significant, potential conflicts of interest, including, but not limited to, Oakhurst favoring K&W over other investors, or Oakhurst providing preferential or sole access to certain recommended investments, including making Bridge Loans (as defined below, which includes making bridge equity investments) to facilitate the creation of Oakhurst Real Estate Funds. K&W and its affiliates, by virtue of their investment experience, sophistication, risk tolerance, and substantial net worth, can and do invest in certain investments that would not be suitable for all but a few clients.

## Oakhurst-related potential conflicts of interest (cont.)

Entities/Individuals	Description
Leviathan Co-Invest I, LLC Richard Goldman Jason Ozur	<p>Leviathan is managed by Mr. Goldman on behalf of Oakhurst. Mr. Goldman is an Oakhurst principal. He and certain Oakhurst principals, LAL principals, fund consultants, and certain of Oakhurst's and LAL's executives and employees, as well as certain of its beneficial owners, and their respective affiliates have, are expected to continue to be members of Leviathan. Leviathan (or a similarly structured fund having the same management structure) invests in most or all Oakhurst-affiliated investments, which investment is intended to be a side-by-side investment with investors in Oakhurst Real Estate Funds. Oakhurst and LAL principals or entities owned or controlled by them are members of Leviathan and have also invested in similar opportunities through AG in the past. This side-by-side investment activity is expected to continue in the future, which could reduce the amount of a particular investment opportunity that is available in an Oakhurst Real Estate Fund, depending upon the size and terms of such opportunity. Oakhurst mitigates this potential conflict by precluding affiliated individuals or parties from investing, outside of the noted contractual obligations to do so, if investor demand meets or exceeds the fund's available capacity.</p>

## Oakhurst-related potential conflicts of interest (cont.)

Entities/Individuals	Description
Lido Advisors LLC Greg Kushner Jason Ozur Ken Stern Jeffrey Westheimer Alyssa Weinberger Jason Lee Jeff Garden	<p><b><i>LAL's Relationship to the Oakhurst-affiliated investments' Bridge Loan Lender:</i></b> Oakhurst has obtained, and expects in the future to obtain, bridge loans and bridge equity (collectively, Bridge Loans") from certain ultra-high-net-worth LAL clients ("Bridge Loan Lender") that has or will be used to secure certain underlying assets of Oakhurst Real Estate Funds prior to being opened to other prospective investors for investment, which will likely include LAL clients. To date, the only Bridge Loan Lender has been the principals of K&amp;W, directly and through a wholly owned company. For those Oakhurst-affiliated investments involving the Bridge Loan Lender, the Bridge Loan Lender will receive interest (or accrued preferred return) with respect to the period of time during which the Bridge Loan is outstanding, which may compound. Oakhurst generally makes these interest payments from amounts that would otherwise be distributed to the Oakhurst Real Estate Fund investors whose interest was financed through a Bridge Loan, with the principal portion of the Bridge Loan being repaid through the initial investment by those clients. Typically, if the Bridge Loan is not fully paid by a certain date, the remaining balance (or unreturned capital, as applicable) is converted into a non-preferred equity stake in the Oakhurst Real Estate Fund. Oakhurst has provided in the past and expects to provide in the future due diligence services to the Bridge Loan Lender regarding several investment opportunities unrelated to the Oakhurst-affiliated investments.</p>

**Oakhurst-related potential conflicts of interest (cont.)**

Entities/Individuals	Description
Lido Advisors LLC Greg Kushner Jason Ozur Ken Stern Jeffrey Westheimer Alyssa Weinberger Jason Lee Jeff Garden (cont.)	<p>Some Oakhurst principals are principals in LAL, a separate but affiliated SEC-registered investment advisor, which offers a variety of services, including, but not limited to, investment management and asset allocation, financial planning, family office services, and retirement and estate planning to high-net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other types of business entities. In certain circumstances LAL offers OASDX to its clients. K&amp;W is a minority owner of both LAL and Oakhurst. A potential Oakhurst conflict of interest arises in connection with LAL and Oakhurst both benefiting from the sale of OASDX shares. Should LAL recommend the OASDX to LAL clients, LAL will earn fees for managing client assets and LAL principals, by virtue of their Oakhurst ownership, will earn fees on OASDX sales. In those circumstances, LAL will evaluate both LAL's and Oakhurst's fees to determine the appropriate fee rebate or waiver. LAL would have a conflict of interest in making that evaluation.</p> <p>LAL clients invest in Oakhurst Real Estate Funds. Oakhurst does not pay LAL any direct or indirect compensation for LAL client investments in Oakhurst Real Estate Funds. Oakhurst intends to continue to sell Oakhurst Real Estate Funds to LAL clients. In order to mitigate this potential conflict of interest, LAL will continue to only earn its LAL asset management fee on LAL client investments in Oakhurst Real Estate Funds.</p>

**Oakhurst-related potential conflicts of interest (cont.)**

Entities/Individuals	Description
Lido Advisors LLC Greg Kushner Jason Ozur Ken Stern Jeffrey Westheimer Alyssa Weinberger Jason Lee Jeff Garden (cont.)	<p>Further, any Oakhurst principal that is also a principal of LAL is specifically precluded from receiving any direct revenue derived from any LAL client investment in Oakhurst Real Estate Funds. Mr. Lee, who is both LAL's and Oakhurst's General Counsel and CCO, participates in the overall profits of both firms, including profits derived from the Oakhurst Real Estate Funds, which presents a conflict of interest. This conflict is mitigated as Mr. Lee is not directly involved in the day-to-day investment decisions made by LAL or Oakhurst on behalf of its clients. There is the possibility that Oakhurst's sale of Oakhurst Real Estate Funds to LAL clients based on LAL's recommendations will indirectly benefit Oakhurst principals who are also LAL principals by increasing Oakhurst's assets under management and thus increasing Oakhurst's enterprise value. Relatedly, LAL principals that are also Oakhurst principals could favor Oakhurst Real Estate Funds over other alternative investments in order to increase Oakhurst's enterprise value. Consequently, the LAL principals that are also Oakhurst principals' ownership interest in Oakhurst will appreciate. Oakhurst will continue to monitor and address this potential conflict of interest as appropriate.</p> <p>Other LAL-related potential conflicts of interest include:</p> <p><b>Shared Premises and Address:</b> Oakhurst is a LAL subtenant. LAL and Oakhurst share use of various common areas.</p>

**Oakhurst-related potential conflicts of interest (cont.)**

Entities/Individuals	Description
Lido Advisors LLC Greg Kushner Jason Ozur Ken Stern Jeffrey Westheimer Alyssa Weinberger Jason Lee Jeff Garden (cont.)	<p>Additionally, the Bridge Loan Lender shares in revenues generated by Oakhurst. A potential conflict shares in revenues generated by Oakhurst. A potential conflict of interest exists in that the Bridge Loan Lender receives an investment opportunity and economic benefit unavailable to other LAL clients and other investors in an Oakhurst Real Estate Fund, and the placement of Oakhurst-affiliated investments with other LAL clients directly results in the repayment of the portion of the outstanding principal of the loan.</p> <p>LAL and Oakhurst Compliance functions: Oakhurst's and LAL's General Counsel and CCO is the same individual and many of its compliance functions are performed by dual LAL and Oakhurst employees. Both entities' overlapping compliance functions can result in potential conflicts of interests, including, but not limited to, the allocation of resources dedicated to the respective entities' compliance functions, Oakhurst clients are disadvantaged by the potential bias in favor of LAL, and the relationship between LAL and Oakhurst results in potential unidentified compliance risks. Oakhurst will remediate these potential conflicts of interests by monitoring and enhanced conflict of interest policies and procedures.</p>
Soft Dollars and Other Brokerage-related Compensation or Benefits	Oakhurst currently does not have any soft dollar arrangements.

**Oakhurst-related potential conflicts of interest (cont.)**

Entities/Individuals	Description
Solicitors and Compensation for Client Referrals	Oakhurst may enter into written agreements with individuals and organizations to refer clients to Oakhurst for compensation, which are referred to as solicitor agreements. Oakhurst will comply with the requirements of Rule 206(4)-3 of the Advisers Act should it enter into these agreements. Although the specific terms of each agreement may differ, Oakhurst would generally provide compensation to these individuals calculated based on a portion of the Asset Management Fee. Currently, Oakhurst does not have any such agreements.

**Third-party-related potential conflicts of interest**

Entities/Individuals	Description
Investment Securities Corporation Greg Kushner Neil Hueston	Investment Securities Corporation ("ISC") is an SEC-registered broker dealer and FINRA member. Oakhurst and ISC are unaffiliated and separate entities. Mr. Kushner, an Oakhurst principal, LAL's Chairman and CEO, is a LAL IAR, ISC RR and ISC branch manager. Neil Hueston, President of Oakhurst's Liquid Alternatives, is an Oakhurst IAR and ISC RR. Messrs. Kushner and Hueston conduct securities brokerage and related business through ISC and receive commissions and other fees as a result. As ISC RRs, Messrs. Kushner and Hueston are authorized to introduce money managers to other unaffiliated broker dealers and to introduce potential clients to money managers who may direct trades to such broker dealers. Mr. Kushner does not currently earn any compensation or other transaction-based compensation for any Oakhurst investment product.

Third-party-related potential conflicts of interest (cont.)	
Entities/Individuals	Description
Investment Securities Corporation Greg Kushner Neil Hueston (cont.)	Mr. Hueston will earn compensation, including, but not limited to, transaction-based compensation to the sale of certain Oakhurst products. In the event such compensation is earned by Mr. Kushner or is being earned by Mr. Hueston this would create a potential conflict of interest in that each of them would be incentivized to recommend Oakhurst investments in order to earn this compensation.
Richard Goldman AG Associate, LLC Mapleton Capital Management, LLC	<p>Many of the partial owners of Oakhurst are also partial owners of LAL. LAL has recommended and many LAL clients have invested in Oakhurst Real Estate Funds. Richard Goldman, who was an S&amp;R principal and is now an Oakhurst principal, has long-standing relationships with LAL principals. This relationship and the resulting business arrangements result in significant, potential conflicts of interest.</p> <p>Other of Mr. Goldman's relationships that present potential conflicts of interest include:</p>
Archway-Affiliated Companies	Archway Capital LLC ("Archway") is a sub-tenant of LAL and a joint venture between Oakhurst and certain third parties involving Oakhurst-affiliated Private Funds ("Archway Funds") investing in real estate loans. LAL will, should Archway Funds be suitable, invest its client's assets in these affiliated funds. This relationship creates a potential conflict of interest due to the proximity of Archway to Oakhurst and LAL and the potential to influence LAL to invest its client assets in the Archway Funds. Archway is also a subtenant of LAL and its lease payments to LAL may also further influence LAL similarly.

Third-party-related potential conflicts of interest (cont.)	
Entities/Individuals	Description
Archway-Affiliated Companies (cont.)	To mitigate such potential conflicts of interests, Oakhurst will monitor its relationship with Archway and LAL to determine whether additional policies and procedures are required aside from Oakhurst's standard allocation practices.
R&R Realty Advisors, Inc. Paladin Solutions, LLC	<p>Mr. Goldman is a manager of AG, and certain LAL clients including investors in Oakhurst Real Estate Funds are members of AG. Pursuant to the Oakhurst Consulting Agreement, AG is to invest a minimum of up to the lesser of \$250,000 or 5% of the amount raised for an Oakhurst Real Estate Fund into the particular Oakhurst Real Estate Fund, which is intended to be a side-by-side investment with clients of LAL.</p> <p>LAL and Oakhurst principals or entities owned or controlled by them are members of AG and have invested in AG opportunities in the past. The LAL clients became involved or associated with AG prior to them becoming LAL clients.</p> <p>Mapleton is a California registered investment advisor that offers various types of hedge funds to investors. LAL has recommended Mapleton fund investments to its clients, some of which have invested in Mapleton funds. Mapleton also manages a separate account for one of LAL's clients. Mr. Goldman is a member of Mapleton, and Mapleton is a subtenant of LAL.</p> <p>R&amp;R is a Los Angeles based sponsor of real estate funds that invest in certain single family and multi-family housing developments of Thomas James Homes.</p> <p>LAL has recommended R&amp;R fund investments to its clients, many of which have invested in R&amp;R sponsored funds. Mr. Goldman is a partial owner and the Chief Executive Officer of R&amp;R.</p>

Third-party-related potential conflicts of interest (cont.)	
Entities/Individuals	Description
R&R Realty Advisors, Inc. Paladin Solutions, LLC (cont.)	<p>Paladin is a Los Angeles based sponsor of funds that invested in defaulted real property secured debt portfolios that were sold following the Great Recession by large mortgage institutions. Two current clients of LAL invested in Paladin sponsored funds prior to becoming clients of LAL. Mr. Goldman is a partial owner and Co-Chief Executive Officer of Paladin.</p> <p>Mr. Goldman introduced LAL to almost all of its current subtenants. Pursuant to the Oakhurst Consulting Agreement, Mr. Goldman benefits from LAL recommendations to its clients to invest in Oakhurst-Real Estate Funds.</p>
R&R Realty Advisors, Inc. Paladin Solutions, LLC (cont.)	<p>Collectively, there are significant business dealings between LAL, Oakhurst, their principals and Mr. Goldman. Mr. Ozur has been involved in various business dealings with Mr. Goldman for over 20 years. Such dealings benefit Mr. Goldman and generally have the effect of causing a bias in favor of Mr. Goldman or his affiliates. LAL and Oakhurst mitigate these potential conflicts of interest with policies and procedures relating to this relationship.</p>

## B. Participation or Interest in Client Transactions

Oakhurst's policy prohibits principal transactions or agency cross transactions on behalf of clients. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any client. Agency cross transactions occur where a person

acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Oakhurst has and will continue to invest, either directly or through AG, Leviathan, similar co-investment vehicles or its principals, in the Oakhurst Funds. Oakhurst does this in order to align its economic interests with those of the investors that will and have invested in these funds. Following the Oakhurst and S&R business combination, Oakhurst assumed S&R's contractual obligation to invest in each Oakhurst Real Estate Fund through Leviathan, AG or similar co-investment vehicles. See Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

## Item 12: BROKERAGE PRACTICES

The following discussion summarizes the material aspects of Oakhurst's practices for the recommendation of custodians and the selection of broker dealers to execute client transactions.

### A. Selection Criteria

Oakhurst does not maintain physical custody of clients' assets although we are deemed to have custody of clients' assets. See Item 15 (Custody). Client securities and funds must be maintained in an account at a "qualified custodian," generally a broker dealer or bank.

### B. Best Execution

Oakhurst has discretion to place buy and sell orders with or through such brokers or dealers as it deems appropriate. Although Oakhurst will strive to achieve the best execution possible for client securities transactions, this does not require Oakhurst to solicit competitive bids and Oakhurst does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best



qualitative execution, taking into consideration the full range of a broker dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Oakhurst will seek competitive rates, it will not necessarily obtain the lowest possible commission rates for client transactions. Oakhurst is not required to negotiate "execution only" commission rates, thus the client would be deemed to be paying for, research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. Oakhurst will periodically (and no less often than annually) evaluate the trading process and broker/custodians utilized.

### **Research and Other Soft Dollar Benefits**

Oakhurst currently has no soft dollar arrangements in place.

### **Our Clients Do Not Direct Brokerage.**

Oakhurst currently has no soft dollar arrangements in place. As all of our clients are private investment funds that we manage, as well as a mutual fund that we manage, we select all broker-dealers for our clients.

### **C. Trade Aggregation and Allocation**

Currently, Oakhurst advises on one Liquid Alternative, OASDX, a mutual fund. If Oakhurst launched additional Liquid Alternatives, Oakhurst would aggregate and allocate transactions as follows. Transactions for each client would be effected independently unless Oakhurst decides to purchase or sell the same securities for several clients at approximately the same time. Oakhurst performs investment management services for various clients, some of which have similar investment objectives. In such cases, Oakhurst would aggregate sale and purchase orders with other clients, including proprietary (employee) accounts that have similar orders being made at the same time, if in Oakhurst's judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. These benefits can include better transaction

prices and lower trade execution costs. Oakhurst can (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Oakhurst's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. If all aggregate orders do not fill at the same price, transactions will generally be averaged as to price and allocated among participating accounts pro rata to the purchase and sale orders placed for each participating account on any given day. If these orders cannot be fully executed under prevailing market conditions, Oakhurst will allocate the securities traded among participating accounts and each similar order in a manner which it considers equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, clients' investment objectives, and liquidity of the security.

## **Item 13: REVIEW OF ACCOUNTS**

### **A. Periodic Reviews**

Oakhurst investment strategies are reviewed by the Investment Committee on a periodic basis, which at a minimum occurs quarterly.

### **B. Regular Reports**

Oakhurst provides periodic reports to investors in Oakhurst Real Estate Funds. As a publicly-traded mutual fund, ownership in OASDX shares will be reflected in investors' custodial account statements.

## **Item 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Compensation for Client Referrals**

Oakhurst does not currently have any agreement with individuals and organizations that refer clients or investors of those clients to Oakhurst.

## B. Other Compensation

Certain Oakhurst IARs, have outside business activities with unaffiliated registered investment advisers, unaffiliated registered broker dealers, and other firms. Consequently, these activities create potential conflicts of interest. See Item 10 (Other Financial Industry Activities and Affiliations) and respective Oakhurst IAR's Form ADV Part 2B (Supplemental Brochure).

### Item 15: CUSTODY

Pursuant to Rule 206(4)-2 of the Advisers Act, Oakhurst is deemed to have custody of client funds, because we have the authority to access clients' funds and deduct fees and expenses from clients' accounts. In order to comply with Rule 206(4)-2, we utilize the services of qualified custodians (as defined under Rule 206(4)-2) to hold all non-real property related assets of our clients. We also ensure that each qualified custodian maintains these funds in accounts that contain only clients' funds and securities. In accordance with Rule 206(4)-2, we also (1) engage an outside auditor to audit our clients at the end of each client's fiscal year and (2) distribute the results of the audit in audited financial statements that are prepared in accordance with generally accepted accounting principles to all investors in our clients within 120 days after the end of each client's fiscal year.

### Item 16: INVESTMENT DISCRETION

#### A. Discretionary Authority; Limitations

Subject to the limitations outlined in the prospectus, Oakhurst has broad authority to execute trades on behalf of OASDX. Oakhurst has discretionary authority with certain Oakhurst Real Estate Funds to buy and sell investments on behalf of the Oakhurst Real Estate Funds and to determine the amount of such investments to be bought and sold. Despite this broad authority, we are committed to adhering to the investment strategy and program set forth in each of our clients' private placement memoranda or other governing documents.

## B. Limited Power of Attorney

Investors in Oakhurst Real Estate Funds authorize Oakhurst to exercise full discretionary authority with respect to all investment transactions of the Oakhurst Real Estate Fund upon execution of the limited partnership agreement for the Oakhurst Real Estate Fund. Among other things, the limited partnership agreement designates Oakhurst, or one of its affiliates, as the client's attorney-in-fact with discretionary authority to conduct investment transactions, including, but not limited to, giving instructions to third parties in furtherance of such authority.

### Item 17: VOTING CLIENT SECURITIES

The fundamental guidelines followed by Oakhurst in voting proxies and exercising other voting rights on behalf of the Oakhurst Fund is to make every effort to ensure that the way shares and interests are voted is in the best interest of the Oakhurst Fund and the value of the specific investment. Absent special circumstances of the types described below, it is the policy of Oakhurst to exercise its proxy voting discretion and other voting rights in accordance with the guidelines set forth below.

#### Proposals Specific to Mutual Funds

Oakhurst invests a majority of the OASDX's assets in securities that do not generally serve proxies under the reliance of Section 12(d)(1)(F) of the Investment Company Act of 1940, as amended (the "1940 Act"). In accordance with Section 12(d)(1)(F) of the 1940 Act and as outlined in the OASDX's Statement of Additional Information, for any proxy vote with respect to shares of another investment company purchased and held by the OASDX under Section 12(d)(1)(F), the OASDX will either (i) vote such shares in the same proportion as the vote of all other holders of such securities; or (ii) contact its shareholders for instructions regarding how to vote the proxy.



**Special Proxy Situations**

Oakhurst expects to choose not to vote proxies in certain situations, such as: 1) where Oakhurst deems the cost of voting would exceed any anticipated benefit to the OASDX, or 2) where a proxy is received for a security no longer held in the OASDX's portfolio (i.e., Oakhurst had previously sold the entire position).

**Private Securities Oakhurst Real Estate Funds**

Some Oakhurst Real Estate Funds invest in limited partnership and limited liability company investment opportunities that are sponsored by third parties. The agreements governing those investment vehicles typically include voting rights with respect to the investment interest acquired by the particular Oakhurst Real Estate Fund. In connection with exercising voting rights held by Oakhurst Real Estate Funds, it is the policy of Oakhurst to vote in the best interest of the Oakhurst Real Estate Fund and the value of the specific investment.

Any changes to the Oakhurst voting guidelines referred to above must be pre-approved in writing by Oakhurst's CCO.

A copy of Oakhurst's proxy voting policies and procedures is available to investors upon request.

**Item 18: FINANCIAL INFORMATION**

Oakhurst does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. Oakhurst does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.

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