

Item 1 Cover Page

Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of NewOak Asset Management LLC (“NAM”). If you have any questions about the contents of this brochure, please contact us at: 212-209-0850, or by email at: rdvari@newoak.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”), or by any state securities authority.

Additional information about NAM is available on the SEC’s website at www.adviserinfo.sec.gov

Date: March 31, 2021

Item 2 Material Changes

The date of our previous Brochure was March 31, 2020.

Ron D’Vari, CEO of NAM, has increased his ownership percentage in NewOak Capital Holdings, L.P., the indirect parent of NAM, to 100%. See Item 4.

We will offer or deliver information about our qualifications and business practices to our clients at least annually. We will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

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

Our Brochure may be requested by contacting Mr. Ron D’Vari, CEO, at 212-209-0855 or rdvari@newoak.com.

Additional information about NewOak Asset Management LLC is also available via the SEC’s website www.adviserinfo.sec.gov.

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Item 4 Advisory Business

Firm Description

NewOak Asset Management LLC (“NAM”) is a Delaware limited liability company which is wholly owned by NewOak Capital LLC (“NOC”). NAM was formed in 2009¹ and had been substantially inactive from formation until October 1, 2014 when it became an SEC registered investment adviser.

NOC, NAM’s parent is a financial advisory and consulting firm that provides strategic, analytical and forensic consulting in the areas of risk management, valuation and credit covering multiple asset classes including residential and commercial mortgages and securities, consumer finance, municipal, and corporate securities and loans. NOC has four principal operating subsidiaries: NewOak Advisors LLC, which provides fundamental analyses, valuation, risk and model validation services with respect to a variety of asset classes and complex asset-backed securities; OakBranch Advisors LLC (34.9% owned by NOC), which provides underwriting, compliance, credit rating, independent audit and quality control for mortgage loans and in connection with mortgage-backed securities litigation and secondary mortgages; NewOak Solutions LLC, which provides financial technology solutions and products for multiple asset classes and portfolios; and NewOak Capital Markets LLC, a registered broker-dealer (member of FINRA, SIPC and MSRB).

Principal Owners

NAM is 100% owned by NOC, which in turn is 100% owned by NewOak Capital Holdings, L.P., a Delaware limited partnership. Ron D’Vari, who is the Chief Executive Officer of both NAM and NOC, owns 100% of the equity interest of NewOak Capital Holdings, L.P., including a controlling interest in the general partner. No other person owns more than 25% of the equity interest of NewOak Capital Holdings, L.P.

Types of Advisory Services

NAM limits its investment advice to the following types of investments: asset-backed securities (“ABS”), residential mortgage loans secured by real estate located in the United States, residential mortgage backed securities (“RMBS”), mortgage servicing rights (“MSR”), pooled consumer receivables and derivatives and interest rate swaps in connection with hedging activities.

NAM provides only discretionary advisory services.

¹ NAM was originally formed as “NewOak Capital Asset Management LLC”. It changed its name to NewOak Asset Management LLC in 2013.

NAM provides advisory services on a discretionary basis to a private fund, NewOak SJ-MAC Trust 2020-1 (the “Fund”)¹. The Fund is controlled by affiliates of NAM.

The Fund is a pooled investment vehicle formed as a Delaware trust formed to liquidate the assets of the Cayman Fund. The trustee of the Fund is Wilmington Trust, N.A. The Fund is not open to new investment.

The Fund’s assets consist of residential mortgage loans and cash. The mortgage loans, which were originally acquired by the Cayman Fund, are large (typically \$1 million to \$5 million) mortgage loans made to high-net-worth individuals underwritten with consideration of alternative income sources.

NAM provides substantially all required investment advisory and asset management services to the Fund in connection with the management of the Fund’s assets consistent with the Fund’s investment guidelines. Such services include:

- Collateral management services required of the Fund
- Sale of Fund assets; and
- Such other investment management activities as may be agreed to by NAM and the Fund under the Fund’s Investment Advisory Agreement.

Certain of the above services will be performed for NAM by related parties. There will be no separate charge to clients for such services.

Neither NAM nor any related party of NAM will provide trustee, custodian or fund administration services to, or perform loan servicing for, the Fund.

Additionally, and separate from the Fund, NAM has entered into asset management agreements with two fin-tech companies unaffiliated with the Fund to provide asset management services for pools of consumer receivables.

Availability of Tailored Services for Individual Clients

NAM provides advisory services to its clients pursuant to the agreements described below based on the specific client requirements, investment objectives and strategies described in this Brochure. NAM does not tailor advisory services to the individual needs of non-institutional clients. Clients for which NAM provides discretionary advisory services may impose restrictions on investing in certain securities or certain types of securities.

Assets Under Management

¹ The Fund is a liquidating trust formed to liquidate the assets of NewOak SJ-MAC Cayman Fund Ltd. (the “Cayman Fund”), a predecessor fund managed by NAM. Assets of the Cayman Fund were transferred to the Fund, which is owned by the former shareholders of the Cayman Fund.

As of December 31, 2020, NAM had total assets under management of \$39,500,874.

Types of Agreements

NAM provides discretionary services to the Fund under Investment Advisory Agreements with the Fund. NAM also provides discretionary services to the two fin-tech companies mentioned above under asset management agreements with those companies. These agreements collectively are referred to as the “IAAs”.

The IAAs all provide, among other things, that:

- NAM has broad discretion to manage, invest and reinvest assets of its clients, subject only to the respective clients’ investment guidelines;
- NAM is entitled to receive an investment advisory fee (as more fully described in Item 5) and performance-based incentive fees (as more fully described in Item 6);
- NAM has the unlimited right to enter into agreements (referred to as “side letters”) with shareholders of the that waive or modify the terms (including fees payable) of the IAAs;
- NAM may delegate its obligations under the IAAs to an affiliate without the permission of the clients; and
- NAM and its affiliates may engage in or participate in other activities, whether or not similar to the business activities of its clients, including advising other funds that may be competitive with its clients. As a result of such other activities NAM may have conflicts of interest in allocating time, services and functions among its clients.

Termination of Agreements

The IAAs have varying provisions regarding termination.

Item 5 Fees and Compensation

Description

Under the IAAs, NAM will be paid an investment advisory fee equal to a stated percentage per annum of the assets under management, and in certain cases subject to a fixed minimum (the “management fee”) payable quarterly or monthly in advance. NAM will also receive performance-based fees as more fully described in Item 6 below.

These fees are negotiable.

Payment of Fees

Under the IAAs NAM is entitled to deduct the management fee from clients' accounts on a quarterly basis by instructing the client's custodian. Performance-based fees are paid contemporaneously with distribution of profits.

Other Fees

Under the IAAs, in addition to paying investment management fees (and, if applicable, performance-based compensation), client accounts will also be subject to other investment expenses such as custodial and other administrative charges; trustees' fees, servicers' fees and expenses; brokerage fees, commissions and related costs; interest expenses; securitization expenses and fees; taxes, duties and other governmental charges; transfer, recording and registration fees or similar expenses; costs associated with foreign exchange transactions; and other portfolio expenses.

In addition, clients may be required to reimburse NAM or its related persons for certain organizational and offering expenses in connection with the offering of clients' securities to investors.

Prepayment of Fees

Under the IAAs, clients are required to pay NAM's fees in advance as set forth in the IAAs.

Item 6 Performance-Based Fees

Sharing of Capital Appreciation

Under the IAAs NAM will receive a performance-based fee a stated percentage of the increase in the net asset value of the assets under management during the determination period, normally a calendar quarter. The IAAs provide that in the event there is a decrease in net asset value during a determination period, no incentive fee shall be taken during that period or in any subsequent period for as long as, and to the extent that, there is an unrecouped decrease in net asset value. This provision (referred to as a "high water mark" provision) is designed to assure that the performance-based fee will reflect appreciation in net asset value over the life of the asset pool in question.

Determination of Net Asset Value

Clients may retain an independent third-party valuation firm to value their assets.

It should be noted that under certain circumstances NAM or a related party may provide asset valuations for clients' assets, including valuations on which performance-based compensation is based. A possible conflict of interest exists in such circumstances. The possibility of such conflicts is fully disclosed to potential investors clients' securities.

In all instances where client assets may be deemed to be "plan assets" under ERISA, valuations will be provided by independent third party valuation firms.

Item 7 Types of Clients

NAM's current clients are the Fund, FuturePay Holdings, Inc. ("FPHI"), a fin-tech online lender for which NAM manages pooled consumer receivables and Orbis Financial Technologies, Inc. ("OFTI"), a fin-tech firm that provides advances against earned wages. NAM does not have any requirements for opening or maintaining an account.

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

The Fund and FPHI are NAM's only current clients for which NAM makes investment decisions. The Fund is currently engaged in liquidating its assets consisting of residential mortgages as described above in accordance with its original investment objective and strategy. FPHI is currently engaged in liquidating a portfolio of consumer revolving credit receivables that it obtained from a predecessor firm. FPHI intends shortly to commence acquisition of new accounts of this type from a bank (the "Bank") which will originate the accounts by lending to consumers. The following sections describe the methods of analysis and investment strategies to be employed by NAM in managing the assets of FPHI to be acquired when it commences operations.

Methods of Analysis

NAM uses a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental credit review and analysis of individual investments as well as the use of quantitative tools and investment approaches.

The investment objective of FPHI, for which NAM provides active management services, is high yield on invested capital consistent with commensurate risk of capital loss. NAM's primary investment strategy in the Fund is to acquire US consumer receivables associated with individual revolving credit accounts. FPHI's business model is "merchant-centric", and FPHI will work with merchants (predominantly small to medium size online merchants) to promote the use of FPHI's revolving credit facilities by the merchants' customers. Consumer loans will be originated by the Bank and purchased by FPHI. NAM will manage the resulting portfolio pursuant to the IAA with FPHI. NAM's investment strategy utilizes a significant amount of leverage which involves borrowing funds from banks or other lenders

in order to increase the amount of capital available for investment.

NAM has very broad discretion to invest FPHI's assets in other types of securities, including derivatives if, in NAM's opinion, such securities are available at attractive risk-based yields.

NAM utilized or considered use of a variety of financial instruments such as derivatives, options, and interest rate swaps, caps and floors, for risk management purposes or for profit.

Active Investment

When FPHI commences operation (*i.e.*, begins actively to acquire consumer receivables), NAM will pursue a strategy of active management of FPHI's portfolio which includes the following:

- Purchase and sale of consumer receivables;
- Borrowing from banks secured by assets of FPHI;
- Active hedging of interest rate risk in FPHI's portfolio; and
- Active management, in conjunction with servicers, of delinquent or defaulted loans

The above methods, strategies and investments involve risk of loss to FPHI, and FPHI and its investors must be prepared to bear the loss of their entire investment.

Material Risks Relating to Investment Strategies

Investment involves risk of loss.

The investment strategies that NAM will implement on behalf of FPHI also involve certain specific risks, summarized below. In addition, investors in FPHI are subjected to various risks having to do with the structure of FPHI and other factors, as set forth in the offering materials applicable to their investment in FPHI. Prospective investors in any fund or pooled investment vehicle managed by NAM should review and carefully consider the applicable offering materials and in particular the discussion of risk factors contained in the offering materials, and should not rely exclusively on the discussion of risks contained in this Brochure, which is not a complete statement of all material risks factors applicable to investors in such vehicles.

Specific risks associated with NAM's investment strategy for FPHI are as follows:

- FPHI's investment strategy will focus on investment in consumer receivables. Accordingly, FPHI's portfolio managed by NAM has thus been and will be concentrated in a particular asset class, and has not been diversified across other asset classes. Such a portfolio is subject to more rapid change in value than would be the case if NAM were required to maintain a wider diversification.
- The success of NAM's investment strategy has been materially affected and will until its final distribution, by conditions in the market for consumer credit, the financial markets and the economy, including inflation, energy costs, unemployment, geopolitical issues, concerns over the creditworthiness of governments worldwide

and the stability of the global banking system.

- NAM's investment strategy involved the use of significant amounts of leverage. Use of leverage increases the risk of loss.

Risks Associated with Types of Securities Recommended (Including Significant or Unusual Risks)

- NAM will invest client funds in consumer receivables that were originated using underwriting guidelines developed by NAM that may be different from, and riskier than, the guidelines employed by other consumer lenders or purchasers of consumer loan receivables. NAM will employ analytical models (both proprietary and third-party models) and information and data supplied by third parties to value assets or potential asset acquisitions and dispositions. If such models or the data utilized prove to be incorrect, misleading or incomplete, any decisions made in reliance could misprice assets or inaccurately predict market behavior and increase clients' risk of loss.
- NAM's investment strategy relies for success on a positive difference between the income (net of credit losses) from acquired assets and financing costs of those assets. In a rising interest rate environment, the income from clients' portfolio assets may respond more slowly to interest rate fluctuations than clients' cost of borrowings. Consequently, changes in interest rates, to the extent not offset by interest rate hedges, may significantly influence clients' financial results.
- Interest rate changes may also increase the risk of loss as a result of mismatches between clients' assets and the financing used to acquire them. Use of leverage increases the risk of loss. In the event that clients are unable to replace, or "roll" these borrowings as they mature, they may be required to sell portfolio assets at an inopportune time or price.
- Securitization of clients' loan portfolios may be a part of NAM's investment strategy in certain cases, particularly with respect to liquidation of clients' portfolios. If securitization opportunities are not available (which could be due to market conditions or other reasons) it may be difficult to liquidate client assets in a timely fashion or at acceptable prices. If securitization is available, participation in securitization transactions may expose clients to additional risk of loss including the following:
 - The Dodd-Frank Act requires the securitizer of any asset securitization to retain five percent of the credit risk of the underlying pool of assets. Retention of an equity component of securitizations would continue clients' exposure to the credit risk of assets included in such securitizations.
 - Terms of any securitizations into which clients may sell loans will generally require the clients to make certain representations and warranties for the benefit of investors in the securitization and to repurchase or substitute loans in the event of a breach of a representation or warranty given to the loan purchaser. Repurchased loans are typically worth only a fraction of the original price. Significant repurchase activity could therefore materially increase the risk of loss.

- NAM's investment strategy involves the use of interest rate swaps, and may involve the use of credit default swaps, total rate of return swaps or other derivatives to hedge various risks. The use of derivatives exposes NAM's clients to counterparty risk. In addition, derivative contracts may require NAM clients to post additional collateral upon the occurrence of certain events, which in turn may require liquidation of client assets at an inopportune time or price.

Item 9 Disciplinary Information

Not applicable.

Item 10 Other Financial Industry Activities and Affiliations

Financial Industry Activities Broker-Dealer Registration Status

All of NAM's management persons are also registered representatives and/or registered principals of NewOak Capital Markets LLC, a registered broker dealer (member FINRA, SIPC and MSRB – CRD No. 104063) ("NOCM"). NOCM is an affiliate of NAM.

NOCM has no involvement with either the formulation or the implementation of NAM's investment policies or strategies. Specifically, NOCM does not engage in the purchase or sale, for its own account or as a broker, of mortgage loans, mortgage-backed securities or hedges or derivatives of the type that NAM intends to acquire for the Funds. NAM does not intend to engage NOCM to perform any of these functions.

Material Relationships or Arrangements with Industry Participants

Other than its affiliation with NOCM described above NAM and its management persons do not have any relationship or arrangements with any person that is material to NAM's advisory business or that creates a potential conflict of interest with NAM's clients.

NAM does not recommend or select investment managers for its clients.

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

Code of Ethics

NAM has adopted a code of ethics as required by Rule 204A-1 of the Investment Advisers Act (the "Rule"). A copy of the code will be provided by NAM to its clients. Key provisions of the code of ethics are summarized below.

- The NAM Code of Ethics (the “Code”) covers all officers, directors and employees of NAM (other than employees whose functions are purely clerical), all of whom are considered “access persons” under the Rule.
- General: all covered persons have an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of NAM’s clients. Covered persons should avoid activities that give even the appearance of conflict of interest and should fully disclose to NAM’s CCO all material facts in connection with any conflict that does arise.
- Covered persons are required to comply with all applicable provisions of federal securities laws, including without limitation the anti-fraud provisions and prohibitions on trading while in possession of material nonpublic information.
- Covered persons are required to inform NAM of all outside business activities in which they may be involved. NAM reserves the right to prohibit or condition participation by a covered person in an outside business activity that, in NAM’s opinion, presents a risk of conflict of interest or is otherwise inconsistent with the covered person’s duties at NAM.
- Covered persons should respect the confidentiality of client information (including information regarding investors in any client Fund) and not disclose such information unless required by NAM firm policies or applicable law. In the event that any confidential client information is disclosed, the recipient should be advised of the confidential nature of the information and that it should not be further disclosed without permission.
- All personal securities transactions and securities holdings of covered personnel must be reported to NAM’s compliance department on an ongoing basis. All covered persons shall advise NAM of any existing outside brokerage accounts they or their spouses have, or in which they have a beneficial interest or over which they exercise trading authority, and shall cause duplicate statements and trade confirmations on such accounts to be sent to NAM.² Purchases by covered persons of private placements or initial public offerings are subject to pre-approval by NAM’s CCO. NAM maintains a restricted list of securities (as to which, in the opinion of management, there exists a possibility that NAM employees may come into possession of material nonpublic information), and covered persons are required to refrain from trading such securities.
- Covered persons are prohibited from making political or charitable contributions for the purpose of influencing a NAM client or potential client, or a US or foreign official or agency in connection with NAM’s advisory business. All political contributions in excess of \$250 must be pre-cleared with NAM.
- Covered persons are prohibited from trading for their own accounts (or accounts in which they have a beneficial interest) in mortgage loans, mortgage-backed securities or derivatives for which the reference security is a mortgage-backed security or index.
- Violations of the Code by covered persons may subject such persons to disciplinary action by NAM, which may include termination. Depending on the facts and

circumstances, compliance with particular provisions of the Code may be waived upon request by NAM's CCO.

Participation or Interest in Client Transactions

Neither NAM nor any covered person is permitted to participate in or have an interest in a transaction with a client.

² Mutual-fund-only accounts, managed accounts where covered persons have no direct or indirect trading authority, certain 401(k) accounts and variable annuity accounts are excepted from this requirement.

Item 12 Brokerage Practices

Not applicable.

Item 13 Review of Accounts

Periodic Reviews

NAM reviews client accounts and holdings on a continuous basis. Matters reviewed include adherence to investment guidelines and performance of client portfolios.

Non-Periodic Reviews

Significant market events affecting assets held in clients' accounts, a change in investment guidelines, or a pending liquidity event such as a securitization may trigger reviews of clients' accounts on other than a periodic basis.

Regular Reports

NAM will cause monthly reports to be delivered to clients by the Administrator (as such term is defined in the Offering Materials) and will, pursuant to the IAAs, prepare quarterly reports for delivery by clients to their investors. A client's investors receive reports from the client pursuant to the terms of clients' Offering Materials.

Item 14 Client Referrals and Other Compensation

Payments to NAM by a Non-Client in Connection with Advisory Services Provided to a Client

NAM receives no cash or non-cash compensation or other economic benefit from non-clients for providing services to clients.

Solicitation, Introduction or Placement Arrangements

NAM had the right to compensate certain affiliated and unaffiliated persons or entities for introductions or placement of interests in the Fund, and may enter into such compensation arrangements in the future. Such arrangements will be in compliance with applicable law, and may include circumstances where NAM or a related person will pay or split a portion of

its management or advisory fees with an unaffiliated third party for assisting in obtaining a specific investor. The material terms of such arrangements will be disclosed to relevant investors. NAM will advise each investor that is the subject of such placement services that the third-party placement agent will be compensated by the investor or NAM, as the case may be, and will disclose the name of each third party providing such services and the nature of any affiliation between such third party and NAM.

In accordance with the requirements of the Advisers Act, (i) all compensation to any solicitor shall be made pursuant to a written agreement and (ii) in the case of any such arrangement with a third-party solicitor, the agreement shall require such solicitor to provide to each person solicited for NAM's advisory services a written disclosure statement and this Brochure (or a permitted alternative brochure).

Item 15 Custody

NAM may be deemed to have physical custody of clients' assets.

To the extent that NAM has the right under its IAAs to cause clients to pay its fees from clients' accounts, NAM is deemed to have custody of the clients' assets. Custody of these assets is also maintained by third-party custodians: independent banks and/or brokerage firms.

Account Statements

Clients will generally receive monthly account statements directly from third-party custodians of their assets. In addition, NAM provided clients with periodic statements containing information about their accounts. Such statements will include both information about assets in those accounts and reports of performance of such accounts during the period covered by the report (and may include year-to-date or cumulative performance).

Item 16 Investment Discretion

Discretionary Authority for Trading

Under the terms of its IAAs, NAM has discretionary investment authority for the assets under its management, subject to the clients' respective investment guidelines set forth in the IAAs, and to the supervision and oversight of the clients' management. This authority may include the authority to purchase, sell, and reinvest sale proceeds in assets on behalf of the clients.

Item 17 Voting Client Securities

Not applicable.

Item 18 Financial Information

Not applicable.