

# **OJM GROUP, LLC**

A REGISTERED INVESTMENT ADVISER

Firm Brochure

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF OJM GROUP, LLC (HEREINAFTER "OJM"). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (513) 791- 7525. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITY. ADDITIONAL INFORMATION ABOUT OJM GROUP, LLC IS AVAILABLE ON THE SEC'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).

OJM GROUP, LLC IS AN SEC REGISTERED INVESTMENT ADVISER. REGISTRATION DOES NOT IMPLY ANY LEVEL OF SKILL OR TRAINING.

## **Item 2. Material Changes**

The Firm has updated Item 4. Advisory Business to further clarify conflicts of interest that exist with respect to rollover business, and its role as a fiduciary.

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## Item 4. Advisory Business

OJM is an investment adviser providing financial planning, consulting, and investment management services to individuals and their related entities, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations and other business entities. Prior to engaging OJM to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with OJM setting forth the terms and conditions under which OJM renders its services (collectively the “*Agreement*”).

In addition, OJM provides advisory services to individuals and their related entities through a website based program titled the OJM Group Intelligent Portfolios (the “*Program*”). Clients and prospective clients of the Program are provided with a separate disclosure brochure.

OJM has been in business as a registered investment adviser since October 27, 2007. The principal owners of OJM are Jason M. O’Dell, David B. Mandell, and Carole C. Foos.

OJM has \$599,101,303 of assets under management as of December 31, 2021, all of which are managed on a discretionary basis. As of December 31, 2021, the OJM Group Intelligent Portfolios has \$1,771,436 in discretionary assets under management, which is included in the total assets listed above.

This disclosure brochure describes the business of OJM. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of OJM’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on OJM’s behalf and is subject to OJM’s supervision or control.

### Financial Planning and Consulting Services

OJM may provide its clients with a broad range of comprehensive financial planning and consulting services. These services seek to address education and retirement planning needs of the client.

In performing its services, OJM is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. OJM may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if OJM recommends its own services. The client is under no obligation to act upon any of the recommendations made by OJM under a financial planning or consulting

engagement or to engage the services of any such recommended professional, including OJM itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of OJM's recommendations. Clients are advised that it remains their responsibility to promptly notify OJM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising OJM's previous recommendations and/or services.

## **Investment Management and Wealth Management Services**

### *Investment Management*

Clients can engage OJM to manage all or a portion of their assets on a discretionary basis or non-discretionary basis. OJM's investment management service include an ongoing and continuous portfolio management and review in the delivery of initial and ongoing services. OJM may include a review of the overall aspects of a client's current financial situation and consider both long- and short-term objectives. OJM can also tailor its services to focus only on certain portfolio components, depending upon the client's wishes and/or the nature of the engagement. OJM welcomes the opportunity to provide individualized services. However, where investment management services or information are limited, clients must understand that comprehensive investment needs and/or objectives may not be fully considered due to the client's direction to receive focus only on certain portfolio components, more comprehensive services, the lack of information provided by the client, and/or other client directives.

Clients engaging OJM for investment management services must play an active role. OJM requires the client to participate in the formation of the investment plan, investment advice, and recommendations. Clients may call OJM at any time to inquire about or discuss their portfolio, but OJM recommends that clients initiate a meeting with OJM no less than annually.

### *Wealth Management*

In addition, OJM may provide clients with wealth management services which may seek to maximize investment options and financial performance, as well as: budget analysis; cash flow and retirement issues and/or projections; financial planning recommendations; wealth protection; and other areas that may be desired, which can be tailored to suit the needs of the client.

When wealth management services strictly focus on limited areas of the clients' interest or needs, clients must recognize that their overall financial and investment needs and objectives may not be considered as a result of service constraints placed on OJM's services. Clients requiring assistance with issues relating to matters outside of investment advisory topics should consult their personal

tax adviser, legal counsel, or other professionals for expert opinions. If requested, OJM can work in conjunction with the client's selected legal counsel or certified public accountant.

OJM primarily allocates clients' investment management assets among *Independent Managers* (as defined below), mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and/or options as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of the client. OJM also may provide advice about any type of investment held in clients' portfolios.

OJM also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, OJM either directs or recommends the allocation of client assets among the various investment options that are available through that product or retirement plan. Client assets are maintained at the specific insurance company or custodian designated by the product or retirement plan.

OJM tailors its advisory services to the individual needs of clients. OJM consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. OJM ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify OJM if there are changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon OJM's management services.

### **Retirement Plan Consulting**

OJM offers advisory services to 401k and other qualified retirement plans ("Plans") for businesses, which may include, depending on the needs of the Plan client, recommending investment options for Plans to offer to participants, ongoing monitoring of a Plan's investment options, assisting plan fiduciaries in creating and/or updating the Plan's written investment policy statements, working with Plan service providers, and providing general investment education to Plan participants.

**Other Services for Employee Benefit Plans:** As part of providing investment services to Plans, OJM may provide certain information and services to the Plan and the Plan sponsor/trustees. These other services are designed to assist the Plan sponsor/trustees in meeting their obligations to the Plan.

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

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

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). In the event OJM recommends that a client roll over their retirement plan assets into an account to be managed by OJM, such a recommendation creates a conflict of interest if OJM will earn an advisory fee on the rolled over assets. When acting in such capacity, OJM serves as a fiduciary under the Employee Retirement Income Security Act (ERISA).

There is a conflict of interest when an OJM representative makes a recommendation that a participant roll over assets from a retirement account into a new or existing account or investment (e.g. rollover IRA) managed by OJM. The conflict of interest exists because OJM will receive compensation (e.g., management fees) if the money is rolled over, but it will not if the recommendation is not accepted.

No client is under any obligation to rollover retirement plan assets to an account managed by OJM. OJM's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

## Use of Independent Managers

As mentioned above, OJM may recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers (“*Independent Managers*”), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* shall be set forth in a separate written agreement between OJM or the client and the designated *Independent Managers*. OJM may render services to the client relative to the discretionary selection of *Independent Managers*. OJM also monitors and reviews the account performance of any designated *Independent Manager*. OJM receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When recommending an *Independent Manager* for a client, OJM reviews information about the *Independent Manager* such as its disclosure statement and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager*’s investment strategies, past performance and risk results to the extent available.

Factors that OJM considers in recommending an *Independent Manager* include the client’s stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, may be exclusive of, and in addition to, OJM’s investment advisory fees detailed below in Item 5. As discussed above, the client may incur additional fees than those charged by OJM, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to OJM’s written disclosure statement, the client also receives the written disclosure statement of the designated *Independent Managers*. Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than OJM. In such instances, OJM may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

If OJM refers a client to an *Independent Manager* where OJM’s compensation is included in the advisory fee charged by such *Independent Manager* and the client engages the *Independent Manager*, OJM shall be compensated for its services by receipt of a fee to be paid directly by the *Independent Manager* to OJM in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee is paid solely from the *Independent Manager*’s investment management fee and does not result in any additional charge to the client.



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

OJM offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management. Alternatively, certain of OJM's *Supervised Persons* may offer securities brokerage services and insurance products under a commission arrangement.

### **Financial Planning and Consulting Fees**

OJM may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$2,500 to \$15,000 on a fixed fee basis and/or from \$100 to \$350 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages OJM for additional investment advisory services, OJM may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging OJM to provide financial planning and/or consulting services, the client is required to enter into a written agreement with OJM setting forth the terms and conditions of the engagement. Generally, OJM requires payment of the financial planning and/or consulting fee upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

### **Investment Management and Wealth Management Fee**

OJM provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by OJM. OJM's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. OJM does not, however, receive any portion of these commissions, fees, and costs. OJM's annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by OJM on the last day of the previous quarter. The annual fee varies depending upon the market value of the assets under management and the type of investment management / wealth management services to be rendered, as follows:

PORTFOLIO VALUE	ANNUAL FEE
Up to \$1,000,000	1.50%
\$1,000,001 - \$3,000,000	1.00%
\$3,000,001 - \$10,000,000	0.75%
above \$10,000,000	Negotiable

OJM may provide wealth management services on a retainer basis ranging from \$2,500 to \$10,000 depending on the scope of services to be provided; however, OJM may also provide wealth management services on an hourly or fixed fee basis in certain situations.

### **Fees for Advisory Services to Retirement Plans**

For Plans subject to an asset based fee, following are the percentage fee amounts:

- \$0 - \$500,000 0.75%
- \$500,001 - \$1,000,000 0.60%
- \$1,000,001 - \$3,000,000 0.50%
- \$3,000,001 - \$5,000,000 0.40%
- \$5,000,001 - \$6,000,000 0.30%
- Above \$6,000,001 Negotiable

### **Negotiability of OJM Fees**

OJM, in its sole discretion, may negotiate to charge a higher or lesser fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, additional dedication of resources, expansion of investment opportunities, etc.).

### **Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), OJM generally recommends that clients utilize the brokerage and clearing services of the following unaffiliated financial institutions for investment management accounts: Charles Schwab & Co., Inc. (“Schwab”); TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA (“TD Ameritrade”);

and Morgan Stanley Smith Barney Group (“Morgan Stanley”). OJM participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. OJM receives some benefits from TD Ameritrade through its participation in the program. Please see also Item 12 for additional information regarding benefits that OJM may receive from Schwab, TD Ameritrade and Morgan Stanley.

OJM may only implement its investment management recommendations after the client has arranged for and furnished OJM with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, Schwab, TD Ameritrade, Morgan Stanley, any other broker-dealer recommended by OJM, a broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the “Financial Institutions”).

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers* (as defined below), custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of, and in addition to, OJM’s fee.

OJM’s *Agreement* and the separate agreement with any *Financial Institutions* may authorize OJM or *Independent Managers* to debit the client’s account for the amount of OJM’s fee and to directly remit that management fee to OJM or the *Independent Managers*. Any *Financial Institutions* recommended by OJM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to OJM.

### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees shall be calculated on a *pro rata* basis. The *Agreement* between OJM and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. OJM’s fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that OJM reserves the right to liquidate any transferred securities or decline to accept particular securities into a client’s account. OJM may consult with its clients about the options and ramifications of transferring securities. However,

clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be adjusted or prorated based on the number of days remaining in the quarter.

### **Commissions or Sales Charges for Recommendations of Securities or Insurance Products**

Clients can engage certain persons associated with OJM (but not OJM) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with OJM. Under this arrangement, clients may implement securities transactions through certain of OJM's *Supervised Persons* in their respective individual capacities as registered representatives of LifeMark Securities, an SEC registered broker-dealer and member of FINRA. LifeMark Securities ("*LifeMark*") may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by *LifeMark* to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with *LifeMark*. The brokerage commissions charged by *LifeMark* may be higher or lower than those charged by other broker-dealers. In addition, certain of OJM's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. OJM and LifeMark are separate and unaffiliated entities.

OJM is a duly licensed insurance agency. Additionally, certain of OJM's *Supervised Persons*, in their individual capacities, are licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed basis, the purchase of certain insurance products. OJM, as an insurance agency and its *Supervised Persons*, as insurance agents, will receive normal and customary commissions for the sale of insurance products.

A conflict of interest exists to the extent that OJM and/or its *Supervised Persons* recommend the purchase of securities or insurance products where OJM and/or *Supervised Persons* will receive commissions or other additional compensation as a result of such recommendations. OJM has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients. As part of these procedures, OJM will at no time execute transactions through *LifeMark* for any Investment Management and/or Wealth Management client accounts.

## Item 6. Performance-Based Fees and Side-by-Side Management

OJM does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7. Types of Clients

OJM provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### Minimums Imposed by Independent Managers

OJM does not impose a minimum portfolio size or minimum annual fee. Regardless, OJM reserves the right to refuse prospective client accounts due to portfolio size or other factors. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than OJM. In such instances, OJM may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

### Methods of Analysis — OJM's primary methods of analysis are fundamental and technical

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. OJM will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually recur, there is no guarantee that OJM will be able to accurately predict such a recurrence.

### Investment Strategies

OJM believes the most important aspect in managing client accounts is determining the proper allocation, or the appropriate combination of stocks, bonds, real assets, and cash. Since these assets have very different risk and return characteristics, we believe asset allocation will have the most impact on a portfolio's return and volatility over time. OJM's investment approach starts with determining the appropriate mix of assets that OJM believes will efficiently achieve the client's objectives at the client's specific risk level.

OJM's coordinated investment strategy utilizes a variety of investment vehicles to offer solutions for client portfolios. Depending on the particular situation, OJM may utilize individual stocks, corporate, municipal and government bonds, no-load mutual funds, ETFs, real assets, structured notes, non-traded real estate, hedge funds, and options.

OJM's Investment Team determines the appropriate investment approach for every client's needs, and works closely with an experienced group of professionals who seek to conduct and leverage quality research to develop an investment plan.

In addition, OJM's management team has implemented the following procedures when providing services to its clients:

1. *Initial Interview* – an initial interview is conducted with each client to determine the client's financial circumstances, goals, acceptable levels of risk, any reasonable restrictions on the management of the client's account, and other relevant circumstances;
2. *Individual Treatment* – the client's account is managed on the basis of the client's financial circumstances and investment objectives;
3. *Consultation* – with OJM advisors who are knowledgeable about the client's account and are reasonably available to consult with the client relative to the status and management of their account;
4. *Quarterly Statement* – in addition to the quarterly statement provided by the *Financial Institution* serving as the custodian for the client's account, the client is provided with a quarterly statement by OJM containing a description of activity in their account.\*
5. *Ability to Impose Restrictions* – upon written request, clients have the ability to impose reasonable restrictions on the management of their accounts, including the ability to instruct OJM not to purchase certain securities or types of securities;
6. *No Pooling* – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the *Financial Institution*, but rather represents a direct and beneficial interest in the securities which comprise the client's account;

7. *Separate Account* – a separate account is maintained for the client with the *Financial Institution*; and

8. *Ownership* – each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

\*OJM recommends that clients carefully review all statements received from their *Financial Institution* and compare those statements to the statements received from OJM.

## **Risks of Loss**

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

### *Market Risks*

The profitability of a significant portion of OJM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that OJM will be able to predict those price movements accurately.

### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders' fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is

generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Use of Independent Managers*

OJM may recommend the use of *Independent Managers* for certain clients. OJM will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, OJM does not have the ability to supervise the *Independent Managers* on a day-to-day basis.

### *Use of Private Collective Investment Vehicles*

OJM may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called “hedge funds”). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

### *Management Through Similarly Managed Accounts*



For certain clients, OJM may manage portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as “*investment strategy*”). In so doing, OJM buys, sells, exchanges and/or transfers securities based upon the *investment strategy*.

The *investment strategy* may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client. Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client’s individual tax ramifications. As further discussed in response to Item 12B (below), OJM allocates investment opportunities among its clients on a fair and equitable basis.

### *Use of Margin*

To the extent that a client authorizes the use of margin, and margin is thereafter employed by OJM in the management of the client’s investment portfolio, the market value of the client’s account and corresponding fee payable by the client to OJM will not be increased.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client’s portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client’s securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client’s obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client’s obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client’s borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client’s profitability.

### *Cybersecurity Risk*

Cybersecurity risk is the risk related to unauthorized access to the systems and networks of OJM and its service providers. The computer systems, networks and devices used by OJM and service providers to OJM and OJM’s clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by OJM

and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or other compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issues of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by those entities in order to prevent any cybersecurity breaches in the future.

## **Item 9. Disciplinary Information**

OJM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. OJM does not have any required disclosures to this Item.

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

OJM is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. OJM has described such relationships and arrangements below.

### **Registered Representatives of Broker Dealer**

As discussed above in Item 5, certain of OJM's *Supervised Persons* are registered representatives of *LifeMark*.

### **Registration as Insurance Agency**

As discussed above in Item 5, OJM is a duly licensed insurance agency and certain of OJM's *Supervised Persons* are licensed insurance agents.

### **Related Certified Public Accountant**

One of OJM's *Supervised Persons* is a certified public accountant and may provide tax planning information and review to determine whether clients could be saving on taxes. OJM and its *Supervised Persons*, though, do not provide accounting and/or tax advice. Clients are encouraged to utilize their personal accountants and/or tax attorneys if the need for such services should arise.

### **Unrelated Business**

Certain of OJM's principal executive officers own and operate Guardian Publishing, a publisher of financial and wealth planning books and articles. These principal executive officers may receive compensation for the sale of these publications. In addition, individuals that market books may receive fees for such services. OJM does not anticipate that this relationship will pose any potential for conflicts of interest with OJM's clients; however, certain of the materials published by Guardian Publishing may direct clients to OJM for more information regarding the content of books or magazines.

### **Referrals to Related Attorneys**

Certain of OJM's *Supervised Persons* are licensed practicing attorneys. OJM does not provide legal advice or preparation of legal documents. Clients are encouraged to utilize their personal legal counsel when the need for such legal services should arise. Clients are welcome, but never obligated or solicited to seek the unaffiliated legal services of OJM's *Supervised Persons*, but services are available under a separate agreement with the attorney or law firm.

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

OJM and persons associated with OJM are permitted to buy or sell securities that OJM also recommends to clients consistent with OJM's policies and procedures.

So as to address any conflicts of interest that may arise due to such buys and sells by OJM personnel, OJM has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), OJM's Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by OJM or any of its associated persons. The Code of Ethics also requires that certain of OJM's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Furthermore, on a periodic basis designated personnel of OJM review Access Person transaction reporting to ensure that personal trading by Access Persons is in accordance with the requirements and limitations of the Code of Ethics. Any violation by an Access Person of the requirements and limitations of the Code of Ethics may subject such Access Person to discipline by OJM, including termination.

It is OJM's policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from, or sells securities to, any advisory 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.

OJM or individuals associated with OJM may buy or sell for their personal account(s) securities or investment products identical to those recommended to or already owned by clients. Alternatively, OJM may cause clients to buy a security in which OJM or such individuals have an ownership position. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Nevertheless, such practices present potential conflicts of interest. To mitigate these conflicts, the Code of Ethics outlines the procedures regarding personal trading that must be followed (see details above). Additionally, as part of OJM's fiduciary duty to clients, OJM and its associated persons will endeavor at all times to put the interests of clients first and at all times are required to adhere to the Code of Ethics.

Clients and prospective clients may contact OJM to request a copy of its *Code of Ethics*.

## Item 12. Brokerage Practices

As discussed above, in Item 5, OJM generally recommends that clients utilize the brokerage and custody services of *Schwab*, *TD Ameritrade*, and/or Morgan Stanley.

Factors which OJM considers in recommending *Schwab*, *TD Ameritrade*, *Morgan Stanley* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by *Schwab*, *TD Ameritrade*, and/or *Morgan Stanley* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by OJM's clients comply with OJM's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where OJM determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. OJM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

OJM periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct OJM in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and OJM will not seek better execution services or prices from other *Financial Institutions* or be able to “batch” client transactions for execution with orders for other accounts managed by OJM (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, OJM may decline a client’s request to direct brokerage if, in OJM’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless OJM decides to purchase or sell the same securities for several clients at approximately the same time. OJM may (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 OJM’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among OJM’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that OJM determines to aggregate client orders for the purchase or sale of securities, including securities in which OJM’s *Supervised Persons* may invest, OJM shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. OJM shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that OJM determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position, or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, OJM may exclude the account(s) from the allocation; (vi) the transactions may be executed on a pro rata basis among the remaining accounts; or (vii) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

While there is no direct link between the investment advice given to clients and OJM’s recommendation to use the custodial services of Schwab, TD Ameritrade and/or Morgan Stanley, certain benefits are received by OJM due to these arrangements that typically are not available to

retail investors utilizing those *Financial Institutions*. Please see below for a description of the services and benefits received by OJM.

### **Commissions or Sales Charges for Recommendations of Securities**

As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of LifeMark. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless LifeMark provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through LifeMark unless they first secure written consent from LifeMark to execute securities transactions through a different broker-dealer. Absent such written consent or separation from LifeMark, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than LifeMark under LifeMark's internal supervisory policies. Such restrictions are only applicable to client brokerage accounts maintained at LifeMark and are not applicable to, nor place limitations upon, the trading processes and utilization of broker-dealers for execution of trades by OJM for OJM wealth management and investment management client accounts. OJM is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### **Software and Support Provided by Financial Institutions**

OJM may receive from *Schwab*, *TD Ameritrade*, and/or *Morgan Stanley* without cost to OJM, computer software and related systems support, which allow OJM to better monitor client accounts maintained at *Schwab*, *TD Ameritrade*, and/or *Morgan Stanley*. OJM may receive the software and related support without cost because OJM renders investment management services to clients that maintain assets at *Schwab*, *TD Ameritrade*, and/or *Morgan Stanley*. The software and related systems support may benefit OJM, but not its clients directly. In fulfilling its duties to its clients, OJM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that OJM's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence OJM's choice of a broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, OJM may receive the following benefits from *Schwab* through its *Schwab Institutional* division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the *Schwab Institutional* participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information, and invitations and waivers for attendance at Schwab events (such as Schwab IMPACT). Clients should be aware, however, that the receipt of economic benefits by OJM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence OJM's recommendation of *Schwab* for custody and brokerage services.

Furthermore, OJM may receive the following benefits from *TD Ameritrade* through its Registered Investment Adviser Division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. These products or services may assist OJM in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help OJM manage and further develop its business enterprise. The benefits received by OJM's participation in the program do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. Clients should be aware, however, that the receipt of economic benefits by OJM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence OJM's recommendation of *TD Ameritrade* for custody and brokerage services.

### **Sponsorships and Other Benefits Received**

OJM holds various client events each year. In addition, OJM may engage in various marketing initiatives/programs during each year. In staging these client events and/or engaging in marketing initiatives and programs, OJM may solicit and receive various sponsorships and other donations from mutual fund advisers, insurance underwriters and other service providers ("Service Providers"). The Service Providers may have business and service relationships with OJM, its Supervised Persons and/or OJM's affiliates. During the calendar year 2021 these contributions ranged in amounts from \$500.00 to \$10,000.00. Contributors for events, programs and/or initiatives in 2021 were as follows:

- Penn Mutual

The receipt of these contributions may create a potential conflict of interest and may indirectly influence investment and other related choices made by OJM. Through the execution of its policies and procedures, including such things as its execution of its fiduciary duty to clients, account reviews and other policies and processes, OJM works to ensure that investment or other client related decisions are in no way affected, directly or indirectly, by any such received contributions.



## Item 13. Review of Accounts

For those clients to whom OJM provides investment management services, OJM monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom OJM provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of OJM’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with OJM and to keep OJM informed of any changes thereto. OJM shall contact ongoing investment advisory clients at least annually to review OJM’s previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Those clients to whom OJM provides investment advisory services will also receive a report from OJM that may include relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may request from time to time. Clients should compare the account statements they receive from their custodian with those they receive from OJM.

Those clients to whom OJM provides financial planning and/or consulting services will receive reports from OJM summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by OJM.

## Item 14. Client Referrals and Other Compensation

OJM does not currently provide compensation to any third-party solicitors for client referrals. See Item 12, above, for information regarding benefits and services OJM receives from *Schwab*, *TD*, and *Morgan Stanley*.

## Item 15. Custody

OJM’s *Agreement* and/or the separate agreement with any *Financial Institution* may authorize OJM through such *Financial Institution* to debit the client’s account for the amount of OJM’s fee and to directly remit that fee to OJM.



The *Financial Institutions* recommended by OJM have agreed to send statements to clients, at least quarterly, indicating all amounts disbursed from such client's account including the amount of management fees paid directly to OJM. In addition, as discussed in Item 13, OJM also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from OJM.

## **Item 16. Investment Discretion**

OJM may be given the authority to exercise discretion on behalf of clients. OJM is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. OJM is given this authority through a power-of-attorney included in the *Agreement* between OJM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). OJM takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

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

OJM is required to disclose if it accepts authority to vote client securities. OJM does not vote client securities on behalf of its clients.

## **Item 18. Financial Information**

OJM does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, OJM is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. OJM has no disclosures pursuant to this Item.