

## Item 1 Cover Page

# OAK CITY CONSULTING, LLC

## Form ADV Part 2 Brochure

This Brochure (the “Brochure”) provides information about the qualifications and business practices of Oak City Consulting, LLC (“Oak City Consulting,” “OCC,” the “Adviser,” “Company,” the “Firm,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at (919) 844-6450. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about OCC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for OCC is 162220.

OCC is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its Clients.

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**Brochure Prepared on March 15, 2023**

## Item 2 Material Changes

This Brochure contains updated information about OCC's business since the last annual updating amendment. This section of the Brochure will address only those "material changes" that have been incorporated since the last delivery of this document on the SEC's public disclosure website (IAPD).

- **Item 4: *Revisions to Advisory Business.*** This section was updated to reflect information about the Firm's advisory business and strategies. The Firm no longer services 401(k) accounts or profit-sharing plans. In addition, this section was updated to reflect that Oak City Consulting has ability to utilize Private Fund and Alternative Investment Managers or sub-advisers and clients should understand that an alternative investment strategy is subject to a number of risks and is not suitable for all investors.
- **Revisions to Item 5: *Fees and Compensation.*** The Firm updated its fees and compensation section to reflect, among other disclosures, termination provisions in its investment advisory agreements as well as termination of account practices. In the event the Agreement is terminated, and the Client has prepaid fees which have been unearned as of the date of termination, such unearned fees shall be immediately refunded to the Client. The Client will be charged for all days their account is managed up to and including the day the Client requests a termination. The Client will receive a prorate refund of the number of days remaining in the quarter starting the day after termination request is received. In addition, we added specific disclosures regarding fees and compensation including no increase in the annual fee shall be effective without prior 30-day written notification to the Client.
- **Revisions to Item 8: *Revisions to Methods of Analysis, Investment Strategies, & Risk of Loss.*** This section was revised to reflect the risk factors associated with, among other things, investing in ETFs and strategies that employ Biblically Responsible Investing criteria.
- **Revisions to Item 15 *Custody.*** This section was revised to disclose that Oak City Consulting does not take custody of Client assets (other than deducting management fees when authorized) and is not a broker-dealer. Oak City Consulting may recommend that clients use certain non-affiliated third parties for custodian and brokerage services.

OCC will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, OCC's Brochure may be requested by contacting Mrs. Christie Baucom, Chief Compliance Officer at (919) 844-6450 or [christie@oakcityconsulting.com](mailto:christie@oakcityconsulting.com).

Additional information about OCC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for OCC is 162220. The SEC's web site also provides information about any persons affiliated with OCC who are registered, or are required to be registered, as investment adviser representatives of OCC.

## **IMPORTANT NOTE ABOUT THIS DISCLOSURE BROCHURE**

*This Disclosure Brochure is not:*

- *an offer or agreement to provide advisory services to any person*
- *an offer to sell nor a solicitation of any offer to purchase any security*
- *an offer to sell interests or shares (or a solicitation of an offer to purchase interests or shares) in any pooled investment vehicle managed or represented by Oak City Consulting, LLC or any of its affiliates*
- *a complete discussion of the features, risks or conflicts associated with any security*

As required by the Investment Advisers Act of 1940, as amended (“the “Advisers Act”), Oak City Consulting, LLC provides this Brochure to current and prospective Clients and may also, in its discretion, provide this Brochure to current or prospective investors or shareholders in a pooled investment vehicle, together with other relevant governing documents, such as the pooled investment vehicle’s prospectus and statement of additional information, private placement memoranda, limited partnership agreement or offering circular, prior to, or in connection with, such persons’ investment in a pooled investment vehicle.

Although this publicly available Brochure describes investment advisory services and products of Oak City Consulting, LLC, persons who receive this Brochure (whether or not from Oak City Consulting, LLC) should be aware that it is designed solely to provide information about Oak City Consulting, LLC as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each investment product is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by Oak City Consulting, LLC. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.

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## **Item 4 Advisory Business**

Oak City Consulting, LLC (referred to herein as “Oak City Consulting,” “OCC,” the “Adviser,” “Company,” the “Firm,” “we,” “us” or “our”), a North Carolina limited liability company, is an investment adviser that is registered with the U.S. Securities and Exchange Commission (the “SEC”) pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Company has been registered with SEC since March 11, 2012, and is based in Wake Forest, North Carolina. Ross Roggensack serves as Managing Member, Chief Executive Officer and Chief Investment Officer. Melissa Clapp Smith serves as Managing Member and Christie Baucom serves as Chief Compliance Officer.

### **Advisory Services**

Oak City Consulting’s portfolio management and investment advisory services are offered to individual separate accounts, , foundations, Christian endowments, charitable organizations and families (each a “Client” and collectively, “Clients”). Furthermore, the types of Clients to which Oak City Consulting provides investment management services are more fully disclosed in Oak City Consulting’s Form ADV Part 1 and summarized in *Item 7 – Types of Clients* of this Brochure.

Our purpose is to provide institutional investment consulting to Christian endowments, foundations, and families in order to build His Kingdom by submitting to proper stewardship, practicing humility, and becoming good servants to our Clients. We have worked with Christian institutions and families for over twenty (20) years. The Firm strives to implement a Biblically Responsible Investing overlay into investment strategies whenever feasible. Biblically Responsible Investing works to integrate Scriptural guidelines within an investment portfolio. This method looks for companies to invest in that are making a positive impact on our society, as well as applying screening processes to avoid those that do not. If a company traded on a public exchange is publicly known to violate Biblical principles, Biblically Responsible Investing strives to stay clear from buying those companies directly through a separate managed account or indirectly through mutual funds and ETFs. Oak City Consulting uses third party sources and internal processes to screen investments.

The Firm recommends, on occasion, redistributing investment allocations to diversify the portfolio. We recommend: specific positions to increase sector or asset class weightings and employing cash positions as a possible hedge against market movement, which has the ability to adversely affect the portfolio. Oak City Consulting may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Oak City Consulting will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will Oak City Consulting accept or maintain custody of a Client’s funds or securities. All Client assets will be managed within their designated brokerage account = pursuant to the Client Investment Advisory Agreement.

In all cases, Clients have a direct and beneficial interest in their securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from clients.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

#### *Selection of Sub-Advisers*

For certain strategies, Oak City Consulting outsources a portion of the investment selection to independent professional asset managers, who are not affiliated with Oak City Consulting, who serve as sub-advisers ("Sub-Adviser"). These independent professional Sub-Advisers are Mutual Fund, Exchange Traded Fund ("ETF"), and/or Private/Alternative (when applicable) Investment Managers. This is detailed in Item 10 – Other Financial Industry Activities and Affiliations of this Brochure. Prior to referring any Clients to Sub-Advisers, OCC will make sure that they are registered, or notice filed.

A Sub-Adviser's responsibility varies and may include the authority to:

- exercise discretion to determine the types of securities bought and sold, along with the percentage allocation;
- apply their discretion on when to buy and sell;
- apply their discretion on the timing of transactions;
- select the broker-dealer for execution of securities transactions, if appropriate;
- vote proxies; and
- take other portfolio management actions that Oak City Consulting delegates or deems appropriate.

As part of the discretionary investment management agreement the Client executes with Oak City Consulting, the Client provides Oak City Consulting with a limited power of attorney over the Client's assets that are invested through Sub-Advisers. The limited power of attorney grants Oak City Consulting the right to receive certain documents from the Sub-Adviser on the Client's behalf, including but not limited to, prospectuses, shareholder reports, privacy notices, proxies and the Sub-Adviser's Form ADV Part 2A. This limited power of attorney granted by the Client may be rescinded at any time upon written notice (email will suffice) from the Client to Oak City Consulting.

The manager is selected by matching their investment strategy and risk profile with a Client's risk profile and stated investment needs and objectives. The money managers selected under these programs will have discretion to determine the securities they buy and sell within the account, subject to reasonable restrictions imposed by Clients.

The selection of the securities and the investment decisions are made in accordance with the Client Profile and/or Investment Policy Statement ("IPS") we complete with a Client and their objectives and risk tolerance. The Mutual Fund, ETF, SMA, and/or Private/Alternative (when applicable) Investment Manager enables Clients to pursue their investment objectives with the Firm as manager all in one consolidated portfolio.

Oak City Consulting actively monitors the performance of the selected manager and may recommend a change in the manager when and if we believe such a change would be in a Client's best interest. The Client will enter into a separate management agreement with the SMA manager. The agreement you enter into with the Mutual Fund, ETF, SMA, and/or Private/Alternative (when applicable) Investment Manager will

disclose the fees a Client will pay to them for the management of the account.

The Company employs investment advice that is primarily based on the analysis of investment programs and separate account managers by reviewing the background of the managers, their investment process, investment philosophy, methodology, stability of the managers, referrals, historical performance, and disclosure documents. We may perform research on various programs through third-party resources such as Zephyr Portfolio Analytics (“Zephyr”), a research solution offered through Informa Intelligence, Inc. Zephyr is a comprehensive data base comprising the universe of separately managed accounts, which provides us with research tools we use in our selection and recommendation of managers. We also perform our own due diligence on managers and may use publicly available resources as sources of information while conducting our research.

Upon request, Oak City Consulting will provide Clients with information about any Sub-Adviser appointed by Oak City Consulting. This information may include content provided by a Sub-Adviser explaining its investment style, or an explanation from Oak City Consulting describing the Sub-Adviser’s investment style. Additionally, Oak City Consulting will provide Clients with a copy of the Sub-Adviser’s Form ADV Part 2A upon request.

#### *Private Fund and Alternative Investment Managers*

Oak City Consulting offers Clients access to certain alternative investments. Clients should understand that an alternative investment strategy is subject to a number of risks and is not suitable for all investors. Alternative investments are generally classified as an investment other than a traditional stock, bond, mutual fund or exchange traded fund. Alternative investments include hedge funds, private equity funds, venture capital funds, private real estate funds and other private investments. Investing in alternative investments is only intended for experienced and sophisticated investors who are willing to bear the high economic risk associated with such an investment. By themselves, alternative investments do not constitute a balanced investment program. Clients should carefully review and consider potential risks before investing, including carefully reviewing all disclosure documents, private offering memoranda, prospectuses, or other offering materials provided by Oak City Consulting and any separate manager or third-party service provider of an alternative investment. Many alternative investment offering documents are not reviewed or approved by federal or state regulators.

#### *Tailor Advisory Services to Individual Needs of Clients*

Our services are always provided based on the individual needs of each Client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each Client on a one-on-one basis through interviews and questionnaires to determine the Client’s investment objectives, risk tolerance and suitability information. Furthermore, when the Company serves as investment adviser, it enters into a written investment management agreement with each of its advisory Clients. Investment management agreements include provisions related to each Client’s management fees, investment strategy, investment guidelines, termination rights, proxy voting and sub-adviser, if applicable.

In summary, Oak City Consulting provides the following advisory services:

- Discretionary Investment Management, except as otherwise set forth in any applicable Client Agreement. Our Clients authorize Oak City Consulting to investigate, purchase, and sell on behalf of Client, various securities and investments. Oak City Consulting is authorized to execute purchases and sales of securities on Client's behalf without consulting Client regarding each sale or purchase. Client may, however, terminate the discretionary authority of Oak City Consulting immediately upon written or verbal notice.
- Non-Discretionary Investment Management. In these types of Client Agreements, Oak City Consulting is authorized to execute purchases and sales of securities only after securing permission from Client regarding each transaction.

Furthermore, Oak City Consulting tailors its investment advice to the specific needs of its Clients and is subject to applicable investment restrictions set forth in the governing documents, including the investment advisory agreement, for the applicable Clients. The Company works with Clients to formulate appropriate and agreed-upon investment guidelines. Oak City Consulting works with Clients to determine the feasibility of monitoring proposed restrictions and limitations. Clients who restrict their investment portfolios may experience potentially worse performance results than Clients with unrestricted portfolios even for Clients with similar objectives. Oak City Consulting reserves the right to reject or terminate any Client that seeks restrictions which Oak City Consulting is unable to implement, or which may fundamentally alter the investment objective of the Client.

#### **Regulatory Assets Under Management**

As of December 31, 2022, Oak City Consulting managed approximately \$159,277,947 in discretionary assets and \$606,412,850 in non-discretionary assets, totaling \$765,690,797 of advisory assets. The SEC has adopted a uniform method for advisers to calculate assets under management for regulatory purposes which it refers to as an adviser's "regulatory assets under management." Regulatory assets under management are generally an adviser's gross assets, i.e., assets under management without deduction for outstanding indebtedness or other accrued but unpaid liabilities. Oak City Consulting reports its regulatory assets under management in *Item 5* of Part 1 of Form ADV which you can find at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Item 5 Fees and Compensation

Our Firm charges a fee as compensation for providing Investment Management services on your account. These services include advisory services, trade entry, investment supervision, and other account maintenance activities. Our custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for details.

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro rata basis. Typically, investment management fees are payable quarterly, with some Clients requesting monthly billing. The method for billing these fees may vary based on the historical methods of the advisors and is agreed upon under the terms of the Agreement (or supporting documentation if there were changes made after the Client signed the Agreement).

Typically, fees are billed in advance. When calculating advisory fees, securities held in Client accounts are valued by the applicable portfolio accounting system used by the Firm to manage the Client's account. As a result, different Clients with the same security may pay different Advisory Fees depending on the valuation source of the securities in their specific Advisory Account. Fees are calculated based on the ending market value at the end of the previous quarter. In addition, fees are assessed on all assets under management, including securities, cash, and money market balances. Margin account balances are included in the fee billing. The Firm's maximum investment advisory fee is 1.00%, or we may negotiate a lower advisory fee. The specific advisory fees and billing methods are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account, or other reasons agreed upon by us and you as the Client.

In certain circumstances, our fees and the timing of the fee payments may be negotiated.

The independent and qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a quarterly basis indicating all the amounts deducted from the account including our advisory fees.

### *Sub-Advisor Fees and Services*

Oak City Consulting may recommend an independent sub-advisor to manage all or a portion of a Client's portfolio. In those circumstances, the Sub-Advisor manages the assets based upon the parameters provided by our Firm. The Sub-Advisor for the portfolio may have higher or lower fees than other programs available through Oak City Consulting or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Sub-Advisor fees and services will be indicated on a Client's Investment Advisory Agreement with the sub-advisor.

Fees are calculated by multiplying the assets under management by the relevant percent, dividing such product by days in the year, then multiplying by the number of days in the quarter. Accounts opened in mid-quarter will be assessed at a pro-rated management fee. Fees are payable quarterly in advance. Fees for the initial quarter will be adjusted pro-rata based on the number of calendar days in the calendar quarter.

in which the Oak City Consulting Investment Management Client Agreement goes into effect based on the initial account funding amounts.

Investment management fees are payable quarterly. The method for billing these fees may vary based on what is agreed upon under the terms of the Agreement (or supporting documentation if there were changes made after the Client signed the Agreement). Clients are encouraged to review the quarterly statement they receive from their account custodian showing the amount of investment management fees that have been debited from their advisory account. For Clients that pay fees directly, payment is due upon the Client's receipt of the billing statement from Oak City Consulting. The billing statement will show the amount of fees due for the current quarter, the manner in which the fees are calculated, any adjustments to the fees, and explanations of any adjustments. When fees are debited from the Client's account, Oak City Consulting will calculate the fee and send fee debit instructions to the account custodian or administrator. Please see *Item 15* for more details.

#### *Mutual Fund and ETF Fees*

Brokerage fees and/or transaction ticket fees charged by the custodian will be billed directly to the Client. Oak City Consulting does not receive any portion of such fees from the custodian or Client. In addition, Clients may incur certain charges imposed by third parties other than Oak City Consulting in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, IRA and qualified retirement plan fees. Oak City Consulting does not receive any portion of such fees. Management fees charged by Oak City Consulting are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to Clients. A description of these fees and expenses are available in each investment company security's prospectus and are paid by the funds but are ultimately borne by Clients as shareholders in the funds.

These fees and expenses are in addition to the Advisory Fees each Advisory Account pays to Oak City Consulting and any applicable transaction fees. Broker-dealers make available mutual fund share classes on their platforms at their sole discretion. Different mutual funds with similar investment policies, and different share classes within those funds, will have different expense levels. Generally, a fund or share class with a lower minimum investment requirement has higher expenses, and therefore a lower return, than a fund or share class with a higher minimum investment requirement. The share classes made available by various broker-dealers and which Oak City Consulting selects for Advisory Accounts will not necessarily be the lowest cost share classes for which Clients might be eligible or that might otherwise be available if Clients invested in mutual funds through another firm or through the mutual funds directly. If mutual funds are selected for inclusion in the Client's account, those mutual funds are either no-load funds or load-waived mutual funds.

The Sub-Advisor relationship may be terminated at Investment Adviser Representative's (IAR) discretion. Oak City Consulting may at any time terminate the relationship with the sub-advisor that manages a Client's assets. Oak City Consulting will notify a Client of instances where we have terminated a relationship with any sub-advisor a Client is investing with. Oak City Consulting will not conduct on-going supervisory reviews of the sub-advisor following such termination. Factors involved in the termination of a sub-advisor may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the manager on our list of approved sub-advisors.

### **Private Fund and Alternative Investment Managers Associated Fees**

As described in Item 4, Oak City Consulting may recommend that a Client invest a portion of their assets in a private fund, hedge fund, or other alternative investment, based on the individual Client's risk tolerance and objectives. Important disclosures related to investing in alternative investments are described in the Oak City Consulting's Part 2A Brochure Disclosure, *Item 8 Methods of Analysis, Investment Strategies, & Risk of Loss* section or a similar agreement. Actual fees are disclosed in the private placement memorandum (PPM), a supplement to the PPM or in a prospectus of the alternative investment fund.

Oak City Consulting does not exercise discretion over any non-public alternative investments. Clients are responsible for initially executing any documents required to be completed by the investment manager and for continuously maintaining any subsequent documentation required after the initial investment is made. Please see Item 4.

### **Other Fees and Expenses**

In addition to the fees described above, Clients may bear other costs associated with investments or accounts including but not limited to: (i) custodial charges, brokerage fees, commissions and related costs; (ii) interest expenses; (iii) taxes, duties and other governmental charges; (iv) transfer and registration fees or similar expenses; (v) costs associated with foreign exchange transactions; (vi) other portfolio expenses; and (vii) costs, expenses and fees (including investment advisory and other fees charged by the investment advisers of funds in which the Client's account invest) associated with products or services that may be necessary or incidental to such investments or accounts. With respect to such services (which may include, but are not limited to, custodial, securities lending, brokerage, futures, banking, consulting or third-party advisory or legal services) each Client may be required to establish business relationships with relevant service providers or other counterparties based on the Client's own credit standing. Oak City Consulting will not have any obligation to allow its credit to be used in connection with the establishment of such relationships, nor is it expected that such service providers or counterparties will consider or rely on Oak City Consulting's credit in evaluating the Client's creditworthiness.

#### *Custodian Fees*

Clients may be charged the following fees from their account custodian or executing broker: charges for transactions with respect to assets not executed through the custodian; short term redemption costs; costs charged to shareholders of mutual funds and exchange traded funds by the fund manager; odd-lot differentials; American Depository Receipt costs; costs associated with exchanging currencies; or other costs required by law. Administrative costs for retirement accounts and any platform (technology) fees are paid directly by the Client, unless other arrangements have been made.

Additionally, the Client will be charged for non-standard service fees incurred as a result of any special requests made by the Client, such as overnight courier or wiring fees. Account custodians may also charge clients account transfer and/or termination fees.

For custodial services, Oak City Consulting utilizes the services of a number of firms to meet its Clients' needs. Custodial transaction fees (for transactions executed through the custodian's broker-dealer) may be paid by the Client or by Oak City Consulting as negotiated and stated in the Client's agreement with the

account custodian. Custodians charge Clients other fees, beyond transaction fees. The additional fees charged to Clients by the custodian may include, but are not limited to, fees related to custodial and clearing agent services, maintenance of portfolio accounting systems, preparation and mailing of Client statements, account processing, systematic withdrawals, redemptions, terminations, account transfers, retirement account custodial services (except for the retirement account termination cost), maintenance of a Client inquiry system, as well as execution of securities transactions in the Client's account. None of these charges are retained by Oak City Consulting.

### **Terminated Accounts**

The Firm's standard investment management contract generally continue in effect until terminated by either party upon written or verbal notice to the other (email notice will suffice). Upon the termination of the Agreement, Adviser will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the account. In the event the Agreement is terminated, and the Client has prepaid fees which have been unearned as of the date of termination, such unearned fees shall be immediately refunded to the Client. The Client will be charged for all days their account is managed up and including the day the Client requests a termination. The Client will receive a prorated refund of the number of days remaining in the quarter starting the day after termination request is received. Please note, it is possible for unearned fees to be adjusted and not be made available to the Client under certain circumstances, for example in situations where the fee is below a de minimis dollar threshold of \$100.00.

In addition, upon execution of an investment advisory agreement, the Client acknowledges receipt of Part 2 of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by Part 2A Appendix 1 of Form ADV, if the Client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosure statement was not delivered to the Client at least 48 hours prior to the Client entering into any written or oral advisory contract with this investment adviser, then the Client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision in our Agreements, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding. Importantly, upon termination, a Client is responsible for monitoring the securities in his or her account, and we will have no further obligation to act or advise with respect to those assets. In the event of Client's death or disability, Oak City Consulting will continue management of the account until we are notified of Client's death or disability and given alternative instructions by an authorized party.

Generally, upon notice of termination to the Client, the Firm will begin the process of removing its access to the Client's account; however, the custodian may require a reasonable amount of time to liquidate and/or transfer assets, including time for required recordkeeping, processing, and complying with the rules and conditions imposed by mutual fund companies, stock exchanges, or securities issuers.

For an additional discussion of brokerage and other transaction costs, please refer to *Item 12 – Brokerage Practices* of this Brochure.

### **Other Compensation**

Neither Oak City Consulting nor its supervised persons accept any compensation for the sale of investment

products, including asset-based sales charges or service fees from the sale of mutual funds.

For an additional discussion of other compensation, please refer to *Item 14 – Client Referrals and Other Compensation* of this Brochure.

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

Oak City Consulting does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a Client.

## **Item 7 Types of Clients**

As discussed in *Item 4 – Advisory Business* of this Brochure, Oak City Consulting currently provides investment management services, as an investment adviser, to individuals, high-net worth individuals, institutions, charitable organizations, trusts, foundations, endowments, family offices and estates. We do not require a minimum dollar amount to open and maintain an advisory account. All Clients are required to execute an agreement for services in order to establish a client arrangement with Oak City Consulting. The agreement sets forth the scope of engagement and terms and conditions of the investment management services, outlines the responsibilities of the parties and defines the relationship of the Firm and the Client.

In addition, the Firm may seek to obtain, verify, and record information that identifies each Client who retains Oak City Consulting to manage its account, in order to help the U.S. Government fight the funding of terrorism and money laundering activities.

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

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

### **Investment Strategies**

The Company may choose to use money managers that invest in a wide range of securities and other financial instruments including: equity securities of domestic and foreign issuers (both publicly and privately traded); corporate debt securities of domestic and foreign issuers (both publicly and privately traded); MLPs; derivative securities, including but not limited to futures, options, swaps and forward contracts; warrants; commercial paper; foreign currency contracts; registered investment company securities, including exchange-traded funds (“ETFs”); and U.S. government securities. As financial markets and products evolve, Oak City Consulting may partner with managers that invest in other instruments or securities, whether currently existing or developed in the future, when consistent with Client guidelines, objectives, and policies.

### **Methods of Analysis**

Oak City Consulting’s methods of analyzing managers includes:

- We employ a process that relies on CEFEX (Centre for Fiduciary Excellence), which assists us in choosing proper metrics for selection and retention of money managers in SMA’s, mutual funds, and exchange traded funds (ETFs). These metrics include historical performance and comparisons to peer groups.
- Oak City Consulting may recommend, on occasion, redistributing investment allocations to diversify the portfolio. The Advisor may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio. Oak City Consulting may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Oak City Consulting may include mutual funds and exchange traded funds, (“ETFs”) in our investment strategies. Oak City Consulting policy is to purchase institutional share classes of those mutual funds selected for the client’s portfolio. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for funds expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund, and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client’s account performance. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. As share classes with lower expense ratios become available, Oak City Consulting may use them in the client’s portfolio, and/or convert the existing mutual fund position to the lower cost share class. Clients who transfer mutual funds into their accounts with Oak City Consulting would bear the expense

of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

*Asset Allocation:* We attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the Client's investment goals and risk tolerance. Periodically we may encounter economic conditions that warrant temporary adjustments to the asset allocation of an investment strategy or portfolio. If we believe that these conditions present either an increase in risk or opportunity for that particular asset class we may alter the appropriate allocation to reflect this conviction.

*Mutual Fund and/or ETF Analysis:* We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the Client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results.

Furthermore, Oak City Consulting focuses on the following areas of a Client portfolio:

- purpose driven investing through aligning the underlying investment strategy to the needs of the Client assets,
- consistent and unwavering diversification within the portfolio in an attempt to ensure against the risk of total loss, and
- rebalancing of Client assets, when necessary, allowing for an objective reallocation of capital and risk.

\* \* \* \* \*

The methods of analysis and investment strategies summarized above are not intended to be comprehensive. For more information regarding the investment objective and strategies of each, please carefully review its applicable governing documents. Investing in securities involves a risk of loss that you, as a Client, should be prepared to bear.

### **Certain Risk Factors**

*Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and Clients should be prepared to bear the loss of assets invested. There can be no assurance that Clients will achieve their investment objectives or that investments will be successful or profitable. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a Client's investments fluctuates due to market conditions and other factors. Nothing in this Brochure is intended to imply, and no one is or will be authorized to represent, that Oak City Consulting's investment strategies and services are low risk or risk free. The investment decisions made, and the actions taken for Clients accounts are subject to various market, liquidity, currency, economic and political risks, and*



*will not necessarily be profitable. Past performance of Clients accounts is not indicative of future performance. Investors and advisory Clients are urged to consult with their own independent financial, legal and tax advisors before making any investment decisions. This Brochure does not include every potential risk associated with an investment strategy, or all of the risks applicable to a particular Client account. Rather, it is a general description of the nature and risks of the strategies and securities and other financial instruments in which Client accounts may invest. The following risks may apply to strategies managed by Oak City Consulting:*

- **Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.
- **Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment. Markets may move in cycles, with periods of rising prices and periods of falling prices.
- **Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature. Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Capitalization Risk:** Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.
- **Equity Risk:** The market price of securities owned by Clients may go up or down, sometimes rapidly or unpredictably. The equity securities in Clients' portfolios may decline in value due to factors affecting equity securities markets generally or the energy sector. The values of equity securities may decline due to general market conditions which are not specifically related to a

particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, including the basic minerals sector, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which Oak City Consulting believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame we anticipate. As a result, Clients may lose all or substantially all of their investments in any particular instance.

- **Fixed Income Securities:** Oak City Consulting may invest Client assets in bonds or other fixed income securities of issuers including, without limitation, bonds, notes and debentures issued by corporations; debt securities and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which Oak City Consulting invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).
- **Real estate funds (including REITs):** REITS face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.
- **Interest Rate Risk:** In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.
- **Liquidity Risk:** Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.
- **Credit Risk:** Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

- Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.
- Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.
- Alternative Investment Risk - Alternative investments, including hedge funds, private equity funds, real estate private equity funds, interval funds and venture capital funds: (1) involve a high degree of risk, (2) often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, (3) can be highly illiquid with extended lock up periods where assets may not be sold, (4) may lack a secondary market to purchase shares that investors care to redeem, (5) are not required to provide periodic pricing or valuation information to investors, (6) may involve complex tax structures and delays in distributing important tax information, (7) are not subject to the same regulatory requirements as publicly traded securities, (8) often charge high fees which may offset any trading profits, and (9) in many cases execute investments which are not transparent and are known only to the investment manager. The performance of alternative investments, including hedge funds and other alternative funds, can be volatile. An investor could lose all or a substantial amount of his or her investment. Often, hedge fund or other alternative investment account managers have total trading authority over their funds or accounts. The use of a single advisor applying generally similar trading programs could mean lack of diversification and, consequently, higher risk. There is often no secondary market for an investor's interest in alternative investments, including hedge funds and managed futures, and none is expected to develop. Even when there is a secondary market, it is often a small group of investors willing to purchase the investment, typically resulting in a discount on the sale of the asset, versus the actual value of the underlying assets. There may be restrictions on transferring interests in any alternative investment. Alternative investment products may execute some portion of their trades on non-U.S. exchanges. Investing in foreign markets may entail risks that differ from those associated with investments in U.S. markets.
- Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.
- General Economic and Market Conditions: The success of Oak City Consulting's activities is affected by general economic and market conditions, such as changes in interest rates, availability of credit and debt-related issues, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of Client investments), trade barriers, unemployment rates, release of economic data, currency exchange controls and national and international political circumstances (including wars, terrorist acts, natural disasters, security operations, the European debt crisis or the U.S. budget negotiations). These factors may affect the level and volatility of securities prices and the liquidity of Client investments. Volatility and/or illiquidity could impair a Client's

profitability or result in losses. Clients could incur material losses even if Oak City Consulting reacts quickly to difficult market or economic conditions, and there can be no assurance that Clients will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Clients should realize that markets for the financial instruments in which Oak City Consulting invest Client assets can correlate strongly with each other at times or in ways that are difficult for Oak City Consulting to predict. Even a well-analyzed approach may not protect Clients from significant losses under certain market conditions.

- **Cybersecurity Risk:** In addition to the Material Risks listed above, investing involves various operational and “cybersecurity” risks. These risks include both intentional and unintentional events at Oak City Consulting or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm’s ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients’ information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.
- **Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues:** Our business activities could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, severe acute respiratory syndrome (SARS), and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, COVID-19 has spread rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of COVID-19 and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), the Adviser could be adversely affected by more stringent travel restrictions, additional limitations on the Adviser’s operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

## **Item 9 Disciplinary Information**

This Item requests information relating to legal and disciplinary events in which Oak City Consulting or any supervised persons, as defined by the Advisors Act, have been involved that are material to Client's or prospective Client's evaluations of Oak City Consulting's advisory business or management. There are no reportable material legal or disciplinary events related to Oak City Consulting or any of its supervised persons.

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

### **Affiliated Broker-Dealers**

Oak City Consulting is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Certain affiliated persons listed in Schedule A of Oak City Consulting's Part 1 of Form ADV and affiliated persons (i.e., personnel) of Oak City Consulting may hold FINRA licenses but do not receive any compensation from a broker dealer.

### **Affiliated CPO and/or CTA**

Neither Oak City Consulting nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **Relationship or Arrangements with Affiliates and/or Related Persons**

Oak City Consulting does not have specific arrangements with any affiliate or related person.

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

Oak City Consulting maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the SEC, and has adopted policies and procedures described in its code of ethics. The code of ethics has been adopted by Oak City Consulting in compliance with Section 204A of the Advisers Act. The code of ethics applies to each employee of Oak City Consulting and any other “access person” as defined under the Advisers Act. It is designed to ensure compliance with legal requirements of Oak City Consulting’s standard of business conduct.

A complete copy of Oak City Consulting’s code of ethics (“Code of Ethics”) is available upon request to Clients or prospective Clients.

The Code of Ethics is based upon the premise that all Oak City Consulting personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory services. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of Oak City Consulting; (3) observe Oak City Consulting’s personal trading policies so as to avoid “front-running” and other conflicts of interests between Oak City Consulting and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by Oak City Consulting’s Chief Compliance Officer, and that personnel who violate the Code of Ethics are subject to sanctions by Oak City Consulting, up to and including termination.

**Standards of Conduct:** Oak City Consulting and its access persons are expected to comply with all applicable federal and state laws and regulations. Access persons are expected to adhere to the highest standards of ethical conduct and maintain confidentiality of all information obtained in the course of their employment and bring any risk issues, violations, or potential violations to the attention of the Chief Compliance Officer. Access persons are expected to deal with Clients fairly and disclose any activity that may create an actual or potential conflict of interest between them and Oak City Consulting or Client.

**Confidentiality:** Employees must maintain the confidentiality of Oak City Consulting’s proprietary and confidential information and must not disclose that information unless the necessary approval is obtained. Oak City Consulting has a particular duty and responsibility, as investment adviser or sub-adviser, to safeguard Client information. Information concerning the identity and transactions of Clients is confidential, and such information will only be disclosed to those employees and outside parties who may need to know it in order to fulfill their responsibilities.

### **Potential Conflicts**

Oak City Consulting does not recommend that Clients buy or sell any security in which a related person to Oak City Consulting or Oak City Consulting has a material financial interest. From time to time, representatives of Oak City Consulting may buy or sell securities for themselves that they also recommend to Clients. This may provide an opportunity for representatives of Oak City Consulting to buy or sell the same securities before or after recommending the same securities to Clients resulting in representatives profiting off the recommendations they provide to Clients. Such transactions may create a conflict of interest. Oak City Consulting will always document any transactions that could be construed as conflicts

of interest and will never engage in trading that operates to the Client's disadvantage when similar securities are being bought or sold.

**Allocation of Investment Opportunities:** As stated herein above, Oak City Consulting acts as investment adviser to more than one Client that may have similar investment objectives and pursue similar strategies. Certain investments identified by Oak City Consulting may be appropriate for multiple Clients. When it is determined by Oak City Consulting that it would be appropriate for more than one Client to participate in an investment opportunity, Oak City Consulting will generally allocate such investment opportunity among the Clients in proportion to the relative amounts of capital available for new investments, taking into account such other factors as it may, in its sole discretion determine appropriate, including investment objectives, legal or regulatory restrictions, current holdings, availability of capital for investment, the size of investments generally, nature and type of investment or opportunity, risk-return considerations, relative exposure to market trends, targeted leverage level, targeted asset mix, target investment return, diversification requirements, strategic objectives, specific liquidity requirements, as well as any tax consequences, limitations and restrictions on a Client's portfolio that are imposed by such Client's governing documents or other considerations that Oak City Consulting deems necessary or appropriate in light of the circumstances at such time. Oak City Consulting seeks to manage and/or mitigate these potential conflicts of interest described by following procedures with respect to the allocation of investment opportunities for its Clients.

Oak City Consulting's allocation policy is based on a fundamental desire to treat each Client account fairly over time. It is Oak City Consulting's general policy to allocate investments among its Clients in a manner which it believes to be fair and equitable. Allocations of investment opportunities should not be based on any of the following, or similar, reasons: (i) to generate higher fees paid by one account over another, or to produce greater fees to Oak City Consulting; (ii) to develop a relationship with a Client or prospective Client; or (iii) to compensate a Client for past services or benefits rendered to the company or any employee of Oak City Consulting or to induce future services or benefits to be rendered to Oak City Consulting or any employee of Oak City Consulting. Consistent with its fiduciary duties, Oak City Consulting allocates trades to its Clients on an equitable basis as set forth in the Firm's policy.

**Conflicts Related to Relationships with Third Parties:** Conflicts may arise where Oak City Consulting has the responsibility and authority to vote proxies on behalf of its Clients. Please refer to *Item 17 – Voting Client Securities* of this Brochure for information regarding the policies and procedures governing Oak City Consulting's proxy voting activities.



## **Item 12 Brokerage Practices**

As a general rule, Oak City Consulting receives discretionary investment authority from its Clients at the outset of an advisory relationship. Depending on the terms of the applicable investment management agreement, Oak City Consulting's authority may include the ability to select broker-dealers through which to execute transactions on behalf of its Clients, and to negotiate the commission rates, if any, at which transactions are effected. Oak City Consulting may also have the authority to enter into International Swap and Derivatives Association ("ISDA"), repurchase clearing, trading brokerage, margin future, options, or other types of agreements on behalf of Oak City Consulting's Clients. In making decisions as to which securities are to be bought or sold and the amounts thereof, Oak City Consulting is guided by the mandate selected by the Client and any Client-imposed guidelines or restrictions. Unless Oak City Consulting and the Client have entered into a non-discretionary arrangement, Oak City Consulting generally is not required to provide notice to, consult with, or seek the consent of its Clients prior to engaging in transactions.

### **Brokerage Selection**

We require that Clients utilize the custody, brokerage and clearing services of a Custodian (the "Custodian") for investment management accounts. Our recommended Custodians are independent and unaffiliated FINRA-registered broker-dealers. We may recommend that you establish accounts with these custodians to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by our custodians benefit us and may not benefit you or your account. Our recommendation/requirement that you place assets with one of these custodians may be based in part on benefits they provide us, and not solely on the nature, cost or quality of custody and execution services provided by the custodian. We are independently owned and operated and not affiliated with these custodians. They provide us with access to their institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

Custodians/broker-dealers will be recommended based on Oak City Consulting's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a Client on the most favorable terms for the Client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Oak City Consulting may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Oak City Consulting's research efforts. Oak City Consulting will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

In the event you request us to recommend a broker-dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at one of these custodians. We may recommend that you establish accounts with the custodians to maintain custody of your assets and to effect trades for your accounts. You have the right to not act upon any recommendations, and if you elect to act upon any recommendations, you have the right to not place the transactions through any broker-dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation,

dependability and compatibility with the Client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker-dealer or the reasonableness of their commissions.

The custodian we utilize makes available to us other products and services that benefit us but may not benefit your accounts in every case. Some of these other products and services assist us in managing and administering your accounts. These include software and technology that provide access to Client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, recordkeeping and reporting.

Many of these services generally may be used to service all or a substantial number of our accounts. The custodians also make available to us other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the custodians may make available, arrange and/or pay for these services rendered to us by third parties. The custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

While as a fiduciary, we endeavor to act in your best interest, our recommendation that you maintain your assets in accounts at our recommended custodians may be based in part on the benefit to us or the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a conflict of interest. Investment advisor representatives endeavor at all times to act in the best interest of our Clients first as a part of their fiduciary duty.

We place trades for our Clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Each Custodian's execution quality may be different than other broker-dealers.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

- Our policy for the aggregation of transactions shall be fully-disclosed separately to our existing Clients (if any) and the broker/dealer(s) through which such transactions will be placed
- We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated
- No advisory Client will be favored over any other Client; each Client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each Client's participation in the transaction

- We will prepare a written statement (“Allocation Statement”) specifying the participating Client accounts and how to allocate the order among those Clients
- If the aggregated order is filled in its entirety, it will be allocated among Clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade’s positions should be “first in line” to receive the next allocation
- Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all Client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each Client account, the orders of which aggregated, the securities held by, and bought for that account
- We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
- Individual advice and treatment will be accorded to each advisory Client

### **Soft Dollars**

Section 28(e) of the Exchange Act provides a “safe harbor” to investment advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to such investment advisers in the performance of investment decision-making responsibilities. The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by such investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for Clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties. Research services furnished by brokers may include (but are not limited to) written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants.

The Company does not currently participate in any soft dollar program. In the event that the Company utilizes soft dollars, it will do so solely to pay for products or services that qualify as “research and brokerage services” within the meaning of Section 28(e) of the Exchange Act.

### **Brokerage for Client Referrals**

Oak City Consulting receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **Clients Directing Which Broker/Dealer/Custodian to Use**

We do not routinely recommend, request, or require that you direct us to execute transaction through a

specified broker dealer. Additionally, we do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in Client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the Client. In cases where the Client causes the trade error, the Client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the Client may not be able to receive any gains generated as a result of the error correction. In all situations where the Client does not cause the trade error, the Client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the Firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. We will never benefit or profit from trade errors.

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

All Client accounts for Oak City Consulting's advisory services provided on an ongoing basis are reviewed at least annually with regard to Clients' respective investment policies and risk tolerance levels. All accounts at Oak City Consulting are assigned to a reviewer.

Reviews may be triggered by material market, economic or political events, or by changes in Client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Each Client of Oak City Consulting's advisory services provided on an ongoing basis will receive a quarterly report detailing the Client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

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

### **Compensation to Non -Advisory Personnel for Client Referrals**

The Adviser does not receive economic benefits from someone who is not a client for providing investment advisory services to its clients. In addition, neither Oak City Consulting nor its related people receive or provide any compensation or other economic benefit to any persons or entities for providing investment advice or other advisory services to our clients other than relationships described elsewhere in the Firm's Form ADV.

## Item 15 Custody

Rule 206(4)-2 of the Advisers Act sets forth extensive requirements for investment advisers who have possession or custody of Client funds or securities. The purpose of the rule is to protect Client funds and securities from fraud or other abuse by investment advisers. SEC-registered advisers must (i) maintain Client funds and securities with a qualified custodian in a separate account for each Client under that Client's name, or in an account that contains only Client funds and securities with the adviser listed as agent or trustee for the Clients ; (ii) have a reasonable basis, formed after "due inquiry," for believing that the qualified custodian holding Client funds or securities sends an account statement to each advisory Client at least quarterly; (iii) notify Clients upon opening any new custodial account on behalf of the Client (or changes to any such account) and include a legend in such notice urging the Clients to compare custodial account statements with any statements received from the adviser (if the adviser elects to send any such statements directly); and (iv) undergo an annual surprise examination conducted by an independent public accountant (where applicable).

Oak City Consulting does not take custody of Client assets (other than deducting management fees when authorized) and is not a broker-dealer. Oak City Consulting may recommend that clients use certain non-affiliated third parties for custodian and brokerage services. Oak City Consulting is not affiliated with any company that it refers Clients to for custody and/or brokerage services. Examples of companies that Oak City Consulting may refer Clients to for custodian and brokerage services include, but are not limited to firms such as, Fidelity Brokerage Services, LLC ("Fidelity").

While Oak City Consulting may recommend a custodian to Clients, Clients are not obligated to follow its recommendation. It is the Client's decision on where they custody their assets. If a Client chooses to custody their assets at a custodian other than what is recommended by Oak City Consulting, the firm's ability to manage the Client's assets may be restricted.

## **Item 16 Investment Discretion**

Oak City Consulting provides discretionary and non-discretionary investment advisory services to Clients. The advisory contract established with each Client sets forth the discretionary authority for trading. Where investment discretion has been granted, Oak City Consulting generally manages the Client's account and makes investment decisions without consultation with the Client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

The limitations on investment and brokerage discretion held by Oak City Consulting for you are:

- For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
- Any limitations on this discretionary authority shall be in writing as indicated on the investment advisory Agreement. You may change/amend these limitations as required.



## Item 17 Voting Client Securities (Proxy Voting)

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies, as well as a duty to cast votes in the best interest of Clients and not subrogate Client interests to its own interests. Rule 206(4)-6 under the Advisers Act (the “Proxy Voting Rule”) places specific requirements on registered investment advisers with proxy voting authority. The Rule also requires these advisers to maintain certain records relating to proxy voting. The Rule is designed to ensure that advisers vote proxies in the best interests of their Clients and provide Clients with information about how their proxies must be voted. The Rule requires an investment adviser that exercises voting authority over Client proxies to:

- Adopt and implement written proxy voting policies and procedures reasonably designed to ensure that the fund manager votes Client and fund securities in the best interests of the Clients and fund investors and addressing how conflicts of interest are handled;
- Disclose its proxy voting policies and procedures to Clients and fund investors and furnish Clients and fund investors with a copy of these policies and procedures if requested;
- Inform Clients and fund investors as to how they can obtain information from the manager on how their securities were voted; and
- Retain required records.

The Adviser will not vote Client proxies. If at any time in the future, the firm chooses to allow the voting of proxies on behalf of Clients, all requirements previously referenced will be implemented prior to accepting proxy voting responsibilities.

For the accounts under third-party management, third-party managers may vote proxies. Please review each third-party manager’s ADV Part 2A for specific details regarding their proxy voting policies and procedures.

## **Item 18 Financial Information**

Oak City Consulting does not solicit prepayment of more than \$1,200 in fees per Client six months or more in advance, and thus has not provided a balance sheet according to the specifications of 17 CFR Parts 275 and 279.

Oak City Consulting has discretionary authority of Client funds or securities. There is no financial condition that is reasonably likely to occur that would impair Oak City Consulting's ability to meet contractual commitments to Clients. Oak City Consulting has not been the subject of a bankruptcy petition during the past ten years.