



FORM ADV PART 2A\*

## Firm Brochure

May 2017

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\*This brochure provides information about the qualifications and business practices of SkyOak Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact SkyOak's Chief Compliance Officer, Jennifer Davis at telephone 800.971.8070. The information in this brochure has not been approved or verified by the U. S. Securities and Exchange Commission or by any other federal or state authority.

The oral and written statements of an advisor provide information upon which a prospective client may base a determination as to whether or not to hire the advisor. You are encouraged to review this Brochure and the SkyOak Brochure Supplement for the professional backgrounds of the Firm's associates who advise you for more information on the qualifications of the SkyOak and its employees. Additional information about SkyOak Wealth Management, Inc. is available at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

The use of the term "registered" or "licensed" investment adviser and description of SkyOak Wealth Management, Inc. and/or our associates as "licensed" does not imply a certain level of skill or training.

**ITEM 2 - MATERIAL CHANGES FROM PRIOR FORM ADV 2A**

There have been no material changes to this brochure since our last annual filing.

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## **ITEM 4 - DESCRIPTION OF ADVISORY BUSINESS**

### **REGISTRATION AND OWNERSHIP**

Registration Status - Registered with the SEC in April 2015  
Registered and/or licensed since 2010<sup>1</sup>  
Principal Owner - Jennifer A. Davis

### **ASSETS UNDER MANAGEMENT AS OF DECEMBER 31, 2016**

Assets Under Management- \$ 123,885,504  
Discretionary Assets - \$ 57,727,660  
Personal Wealth Management  
& Family Office Services - \$217,750,000 (Supervised and monitored, but not traded)

### **ADVISORY SERVICES**

SkyOak Wealth Management, Inc., an Oregon corporation, (sometimes “SkyOak” the “Firm” or “Advisor”) is a licensed investment advisor. We provide wealth management, investment management, comprehensive financial planning, financial consultation services & family office services to our clients.

As wealth management advisors, we provide a large array of investment and planning solutions for individuals, families, corporations, endowments & foundations. Some of the services we provide are:

- Financial Planning
- Active Asset Management
- election and Management of Securities and Investments
- Monitoring of investment Portfolios & Overall Investment Allocation , Income, and Goals
- Self-Directed IRA Services
- Incorporating Insurance based Solutions such as Annuities, Life Insurance & Long Term Care Insurance
- Providing Written Investment Policy Statements
- Analysis & Implementation of Corporate Retirement Plans and other Employee Compensations Plans
- Succession and Estate Planning
- Family Office Services

### **Investment Management Services**

The investment management services we provide are customized based on your financial circumstances, current & future income needs, and investment objectives. A member or members of our team meet with you to discuss your current financial condition and to review your current investment holdings. Based upon your circumstances and financial goals & needs, we determine the appropriate investment strategy and asset allocation for your investment portfolio.

SkyOak generally requires clients who want active investment management to place a minimum of \$250,000 under management with the Firm. (For clients that want financial planning & consulting

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<sup>1</sup> The issuance of a license or registration means only that the Firm meets the minimum requirements for licensing as an investment advisor and does not imply that any state or federal regulatory authority guarantees the quality of our services or recommends them.

only, there is not a minimum asset size required but there is a separate contract and fee.) Multiple client accounts may be aggregated to meet this minimum and under certain circumstances, and in its sole discretion, SkyOak may waive or alter the minimum account size requirement.

Securities transactions are supervised on a continuous basis and each client's portfolio holdings and asset allocations are monitored on a periodic basis.

Under SkyOak's Investment Management Service Fee Agreement, our Advisors will provide you the following services on an ongoing basis:

- Determine suitable investments and asset allocation strategies that are consistent with your resources, investment objectives, time horizon, and risk tolerance.
- Implement investment and asset allocation strategies.
- Monitor and rebalance your investment allocations & overall strategy as needed.
- Provide you with basic account services such as updating information and services relative to name or address changes, or changes to investment deposit or withdrawal instructions.
- Recommend modifications to your investment strategies consistent with any substantial changes in your personal financial situation.
- Conduct periodic investment reviews, at least annually, with you to discuss investment performance and related macroeconomic issues, as well as update your financial circumstances and, if applicable, your financial plan.

As a client, you may make additions to and withdrawals from your portfolio account(s) at any time, subject to the Firm's right to terminate an account if the amount of assets drops below our minimum account size. You may withdraw account assets with notice to the Firm, subject to the usual and customary securities settlement procedures. However, we design client portfolios as long-term investments and caution our clients that asset withdrawals may impair the achievement of the client's investment objectives.

Additions to an account may be in cash or securities provided that we may decline to accept particular securities into your account or may recommend that the security be liquidated if it is inconsistent with the Firm's investment strategy or your investment objectives. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. Clients are advised that transfers of assets may incur a fee assessed by the prior custodian of the transferred assets.

#### **Sub-Advisor & Separately Managed Account Services - RAAMPS**

Registered Investment Advisors (RIAs) and/or Independent Advisor Representatives (IARs) not registered or affiliated with SkyOak may utilize SkyOak for its Separately Managed Account: *Risk Averse Actively Managed Portfolios* or "RAAMPS". Such accounts are held at Charles Schwab Institutional as custodian, unless specified otherwise. The RIA or IAR must enter into a Sub Advisory Agreement with SkyOak. RAAMPS.

RAAMPS is a sophisticated disciplined four step process that screens, evaluates and ranks, monitors and trades and finally refreshes portfolios. We believe we can actively manage our portfolios not only to achieve solid returns but also mitigate risk.

We start by screening, focusing on a specific fundamental or tendency. However, we have found that screening alone offers no protection and little alpha. It does however create a symbolic balance by

allowing base portfolios to focus on different elements. Next, we use our proprietary ranking algorithms to tell us which of the screened stocks are the strongest. This step seems to provide the significant alpha as our buy and hold portfolios have done exceptionally well in the past. Most of our portfolios are actively managed using term sentiment trading algorithms. These algorithms initiate buys and sells; this takes human emotion out of the portfolio management and allows for the process to be repeatable. Lastly, we refresh each of the portfolios using the steps outlined above. We take out stocks that are not active and/or under-performing replacing them with the strongest stocks as indicated by our screening and ranking process.

### **Comprehensive Financial Planning and Financial Consultation Services**

SkyOak provides comprehensive financial planning services or project based financial consultation services on either an hourly fee, fixed one-time fee, or reoccurring annual fee basis. Such services may include a financial review and analysis of some or all of the following areas:

- Determining Financial Goals And Objectives
- Investment Portfolio & Asset Allocation Review
- Cost Audit of Current Investments
- Employer Retirement Plan Investment Allocation Analysis
- Cash Flow Management Review
- Opinion on Current Investment Strategy/Advisors
- Financial Independence Analysis
- Current & Future Income Analysis
- Retirement Income Analysis
- Social Security Income Analysis
- Education Funding Analysis
- Employee Retirement Plan Cost Analysis
- Employee Stock Option Analysis
- Business Valuation & Succession Planning
- Insurance Coverage & Asset Protection Review
- Supplemental Healthcare, Medicare, & Long Term Care Coverage Review
- Mortgage and Refinance Evaluation
- Estate Plan Review or Development
- Charitable (or social capital) Planning
- Dissolution Planning
- Other Financial or Investment Analysis

Unless provided in connection with the investment management services described above, clients engaging SkyOak to provide financial planning or consultation services will generally be required to enter into a separate written agreement with SkyOak setting forth the terms and conditions of the planning engagement and describing the scope of the services to be provided. Financial planning /consultation clients are not required to be investment management clients of the Firm.

The Firm's Financial Planning/Financial Consultation only clients remain responsible for implementing any recommendations made by SkyOak and retain absolute discretion over all implementation decisions. Clients remain free to accept or reject any of the Firm's recommendations. SkyOak may recommend its own investment management services or those of its professional staff in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Financial planning and consultation clients are advised that a conflict of interest exists if the Firm recommends its own investment management services to implement financial plan recommendations. Moreover, if a client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through any investment advisor when such is

licensed as a broker-dealer or through any associate or affiliate of such advisor that is employed as registered representative or sales agent with a licensed broker-dealer.

If the client engages the Firm for additional investment advisory services, the Firm, in its sole discretion, 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.

#### **Self-Directed IRA Services & Administration**

SkyOak (sometimes the “Service Representative”) offers Self Directed IRA Services to IRA account holders who need assistance and /or expertise in facilitating transactions, opening a new account, monitoring transactions, and/or acting as a liaison between the custodian and account holder (“Account Holders”). Such services include but are not limited to:

- Assist in establishing the new account paperwork and transfer forms for the Account Holder to open a new account at Custodian.
- Assisting the Account Holder to facilitate the transfer of their current qualified assets contained in their IRA to Custodian.
- Assist the Account Holder in completing the process and paperwork that facilitates the future purchases of alternative investments within a self-directed IRA.
- Monitor the account processes at Custodian to ensure that any transfer/new purchase process is being completed efficiently.
- Work with the Account Holder to provide Custodian with a qualified collection escrow company and/or amortization schedules for promissory notes.
- Work with Custodian and the Account Holder to monitor that all principal and interest payments that are made from third parties or directly from the borrower, if needed, are paid to the self-directed IRA and are posted/calculated correctly.
- Assist the Account Holder in submitting all expense/bill pay forms for any/all expenses associated with the self-directed IRA owning real property.
- Assist the Account Holder in the processing of rental income and monitor that the income has been received by the Custodian and has been deposited into the Account Holder’s self-directed IRA.
- Assisting in providing Custodian with the property valuation forms, as needed for each asset/investment contained in the Account Holder’s self-directed IRA.
- Assist the Account Holders in assuring the appropriate account values are provided for required minimum distributions (RMD’s) calculations.

SkyOak, as the Service Representative will act only as the designated liaison of Account Holder and the Custodian and will be limited to access to account information only. SkyOak as the Service Representative will not act as an investment advisor, trustee, sales agent, broker, accountant or attorney. SkyOak, as the Service Representative will not have power of attorney or discretion over the assets of the Account, cannot unilaterally or otherwise direct the payment of invoices or billings from the assets of the Account or have any power to direct payment of the Account assets in any manner without Account Holder written direction. SkyOak, as the Service Representative will not have authority to make changes or to transact business on behalf of Account Holder. The Service Representative shall not take possession of Account Holder’s assets to include but not limited to Account Holder’s deeds, notes, and documents demonstrating ownership interest. Nor shall any deed, note, ownership interest, etc. be denoted in the name of the Service Representative or in the name of any other payee other than as directed in writing by Account Holder.

Self-Directed IRA Services are governed by a separate agreement entered into by and between the IRA Account holder and SkyOak Wealth Management, Inc. as the Service Representative.

### **Personal Wealth Manager Services & Family Office Services**

At the heart of any wealth management or family office is investment management and financial oversight, but we also, as your personal wealth manager or family office, can provide a number of other services.

- Investment Management Services
- Philanthropic Management
- Life Management and Budgeting
- Business and Financial Advisory
- Estate and Wealth Transfer
- Training and Education
- Reporting and Record Keeping
- Administrative Services or Back-Office Services
- Succession Planning
- Tax and Legal Advisory
- Compliance and Regulatory Assistance
- Risk Management and Insurance Services

### **Corporate Retirement Services**

Several SkyOak advisors specialize in designing, implementing and managing corporate retirement plans. Depending on your situation, a SkyOak advisor will consult with you, educate you, and recommend the best plan(s) and platform for you and/or your company. SkyOak can be engaged as a 3(21) non- discretionary or 3(38) discretionary fiduciary advisor. SkyOak collaborates with other providers such as record-keepers and third party administrators to be able to provide a large line up of services and expertise.

- Assist plan sponsor in evaluating various design elements
- Assist in evaluating third party administrators
- Assist plan sponsor in optimizing existing or selection of new plan recordkeeping platform
- Ensure record-keepers are providing best available pricing as plan assets grow
- Act as primary liaison between plan sponsor and recordkeeping platform
- Assist plan sponsor in reviewing objectives and options available through the plan
- Review plan committee structure and administrative policies/procedures
- Assist with development/maintenance of fiduciary audit file & document retention policies
- Provide plan fiduciaries with relevant fiduciary and plan legislative & regulatory updates
- Assist in ensuring that fund change notices are properly distributed to plan participants
- Assist fiduciaries with a process to select, monitor and replace service providers
- Assist with the election of the initial investment line-up for the plan Core Options
- Assist plan fiduciaries with the development of the Plan Investment Policy Statement
- Conduct semi-annual review meetings with the Investment Committee
- Assist the plan committee with monitoring investment performance
- Assist the plan committee to determine if and when plan investments should be changed
- Facilitate group enrolment meetings and coordinate plan investment education
- Assist plan participants with financial wellness education and retirement planning
- Where applicable and authorized, assist participants with wealth management questions



## General Notices

In performing its services, SkyOak relies upon the information received from its client or from their other professional legal and accounting advisors, and is not required to independently verify such information. Clients must promptly notify us of any change in their financial situation or investment objectives that would necessitate a review or revision by our advisors of the client's portfolio and/or financial plan.

Fiduciary Status under ERISA. To the extent any client is a retirement plan or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and depending upon the investment management services provided by us, the Firm may be considered a "fiduciary" under ERISA.

Wrap Fee Programs. The Firm does not sponsor nor does it provide portfolio management services to wrap fee programs offered by broker-dealers or others.

Termination of Agreement. The investment management agreement with clients will continue in effect until terminated by either party pursuant to its terms. The Firm does not assess any fees related to termination but will be entitled to all management fees earned up to the date of termination. Any earned fees owed to SkyOak will be paid from the client's account on a pro rata basis determined on the amount of time remained in the calendar quarter.

If a copy of this Form ADV Part 2A disclosure statement was not delivered to the client prior to or simultaneous with a client entering into a written advisory contract with Advisor, then the client has the right to terminate the contract without penalty within five (5) business days after entering into the contract. Any transaction costs imposed by the executing broker or custodian for establishing the custodial account or for trades occurring during those five days are non-refundable.

Thereafter, services shall continue until either Advisors or the client terminate this Agreement with thirty (30) days written notice. For purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract. Upon termination of the Investment Management Services Agreement, any unearned advisory fees paid in advance for these services will be reimbursed on a prorated basis.

## **ITEM 5 - FEES AND COMPENSATION**

As set forth below, client fees depend upon the nature of the engagement. SkyOak offers its services on a fee basis which may include fees based upon:

- For Investment Management Services - amount of investable assets under management.
- For Self-Directed IRA Services and Administration - amount of self-directed assets.
- For Financial Planning or Financial Consultations - fixed, hourly or recurring fees.
- For Personal Wealth Manager Services or Family Office Services - a percentage of assets or net worth, fixed, and/or hourly fees.
- For RAAMPS Portfolios (Sub-Advised & Separately Managed Accounts)
- For Corporate Retirement Services
- Other Fees - depending upon the special needs of the client.

## **INVESTMENT MANAGEMENT SERVICES FEES**

For its investment management services, SkyOak charges an annual fee based on a percentage of investable assets under management. SkyOak's annual investment management fee is prorated and

charged either quarterly or monthly, in advance, based upon the market value of the assets on the last day of the previous quarter or month. For new accounts, SkyOak charges a fee based on the value of assets placed in the account, prorated to the portion of the calendar quarter or month during which the assets were under management by the Firm. The Firm's standard fee schedule follows below:

SkyOak's Investment Management Fee Schedule Based on Market Value of Client Assets Placed Under Management*	Annual Fee Rate
Under \$250,000	1.50%
Next \$250,000 to \$999,999	1.25%
Next \$1,000,000 to \$4,999,999	1.00%*
Next \$5,000,000 to \$9,999,999	0.80%*
Next \$10,000,000 to \$25,000,000	0.65%*
Over \$25,000,000	Negotiable
Minimum Annual Fee	\$1,500
*Basic Financial Planning up to 20 hours a year is included	

The client's investment management fee to SkyOak is determined in accordance with the above standard fee structure, with exceptions negotiated on a case-by-case basis at SkyOak's discretion. Services provided for the above fees are for investment advice, asset management, due diligence, monitoring of investments, reporting of asset holdings, valuations and performance reviews. SkyOak, in its sole discretion, may negotiate to charge a lesser annual fee or lesser investment management fee based upon, among other criteria, anticipated future portfolio growth, anticipated future additional portfolio contributions, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and/or pro bono activities. The Investment Management and Service Agreement is effective as of the date signed by the client.

SkyOak generally imposes a minimum annual fee of \$1,500 per client. This minimum fee may have the effect of making SkyOak's services impractical for clients, particularly those with portfolios less than \$250,000 under management. SkyOak, in its sole discretion, may negotiate to charge a lesser management fee based upon the criteria noted above.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by our portfolio managers in the management of the client's portfolio, the market value of the client's account and corresponding fee payable by the client to SkyOak may be increased. In addition to understanding and assuming the additional principal risks associated with the use of margin, clients using margin are advised of the potential conflicts of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Firm. Accordingly, the decision as to whether to employ margin is left to the sole discretion of client.

#### **FINANCIAL PLANNING AND FINANCIAL CONSULTING SERVICES FEES**

For its financial planning and other financial consultation services that are apart from or beyond its investment management services, SkyOak charges fees that are dependent upon the complexity of a client's requirements, the number of meetings, client objectives and the extent to which outside professionals are consulted for estate planning, accounting and other professional services. Fees are assessed in accordance with the following schedule:

<b>SkyOak's Financial Planning &amp; Financial Consulting Fee Schedule</b>	
Initial Financial Plan	\$1,500- \$5,000
Annual Retainer for ongoing financial planning engagement	50% of Initial Plan Cost
Hourly Financial Planning or Consulting	\$200-\$400 / Hour
Retainer payable upon commencement of agreement	50%

A retainer equal to 50% of the estimated fees is payable at the commencement of the financial planning or other financial consultation. Ongoing fees are payable as invoiced and/or automatically charged annually. Additional consulting services and fees will be governed by a separate agreement and no charges will be assessed the client without his or her consent. Client consent is effective as of the date the client signs the agreement.

#### **SELF-DIRECTED IRA SERVICES & ADMINISTRATION FEES**

SkyOak, as Service Representative, charges an annual self-directed IRA service fee based on a percentage of assets being serviced by SkyOak at Account Holder's custodian. SkyOak's annual IRA service fee is charged quarterly, in advance, based upon the most recent custodian's statement of the assets provided by account holder. For new accounts, SkyOak prorates its fee to the portion of the calendar quarter during which the assets were subject to SkyOak's Service Agreement. The fee schedule is as follows:

<b>SkyOak's Self-Directed IRA Standard Service Fee Schedule Based on Custodian's Statement Value</b>	<b>Annual Fee Rate</b>
On the market value up to \$1,000,000	0.50%
On the market value above \$1,000,000 to \$2,000,000	0.40%
On the market value above \$2,000,000	Negotiated
Minimum Fee	\$500

#### **PRIVATE WEALTH MANAGER SERVICES & FAMILY OFFICE SERVICES FEES**

SkyOak's Private Wealth Manager (PWM) and Family Office services fees are calculated as annual flat fee, as an hourly fee, as a percentage of net worth or as a combination of any of these fee calculation methods, depending upon the services provided. We assess a minimum fee of \$25,000 per year. Hourly and flat fees are dependent upon the complexity of a client's requirements, the number of meetings, client objectives services SkyOak is providing and the extent to which outside professionals are consulted for estate planning, accounting and other professional services.

If a PWM or Family Office client seeks discretionary asset management by SkyOak in which SkyOak actively manages or has discretion over trading and making investment decisions - there will be an additional Investment Management Agreement & fee in addition to the PWM and Family Office services fee above.

The PWM and Family Office services fee schedule is as follows:

<b>Private Wealth Manager &amp; Family Office Service Fee Schedule</b>	
Hourly Fee	\$300/hour minimum
Fixed Annual Fee	\$25,000 minimum
Percentage of Net Worth Fee	0.18 to 0.48%
Retainer Payable upon Commencement of Agreement	25% of estimated total cost or annual fee
Minimum Fee	\$25,000

#### **RAAMPS SUB-ADVISOR & SEPARATELY MANAGED ACCOUNT SERVICE FEES**

For its discretionary portfolio management services, SkyOak charges an annual fee based on a percentage of investable assets under management under RAAMPS sub advisory platform. SkyOak's annual portfolio management fee is prorated and charged quarterly or monthly, in arrears, based upon the market value of the assets on the last day of the calendar quarter or month. For new accounts, SkyOak charges a fee based on the value of assets placed in the account, prorated to the portion of the calendar quarter or month during which the assets were under management by the Firm. Our Sub Advisory fees are as follows:

<b>Sub-Advisor &amp; Separately Managed Account Services</b>	<b>Annual Fee Rate</b>
Up to \$10,000,000 Under Sub Advisory Relationship	0.80%
Over \$10,000,000 Under Sub Advisory Relationship	0.68%
Minimum Account Size	\$100,000

#### **CORPORATE RETIREMENT PLANS**

The Fee will be determined by reference to the value of assets held in custody by the Plan's custodian and will represent a pro rata portion of an annual fee. In addition, if Client engages Advisor as a 3(38) Discretionary Fiduciary, any additional fees associated with that service, as fully disclosed to and agreed to by Client, are included in this Asset under Management (AUM) fee.

Our Corporate Retirement Plans Advisory fee is as follows:

<b>Corporate Retirement Plan Services &amp; Management</b>	<b>Tiered Annual Fee Rate</b>
The first \$1,000,000 Assets Under Management	1.25%
The next \$1,000,001 to \$3,000,000 Assets Under Management	1.00%
Over \$3,000,000 Assets Under Management	0.75%
Setup fee on Newly Established Plans - Payable upon Commencement of Agreement	\$2,500

## OTHER FEES

**COMMISSIONS EARNED.** In addition to their positions as investment advisor representatives of SkyOak, Jennifer A. Davis, Donald L. Watson, Anastasia Wilkinson, and Tracy Ronningen are registered representatives of KW Securities, Inc., Larkspur, CA (KW Securities), a federally registered broker-dealer and member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investors Protection Corporation (“SIPC”). Ms. Davis’, Mr. Watson’s, Ms. Wilkinson, and Mr. Ronningen’s affiliation with KW Securities allows SkyOak to offer investment programs and other products that may incur a commission or sales load.

Brokerage commissions are charged by KW Securities, Inc. to the client to effect securities transactions and thereafter, a portion of these commissions may be paid by KW Securities to registered representatives such as Ms. Davis, Mr. Watson, Ms. Wilkinson and/or Mr. Ronningen. In addition, in connection with any such brokerage services, the registered representative may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

In the course of providing its financial planning or investment management services, SkyOak also may recommend insurance solutions through its affiliate, SkyOak Asset Protection Group, LLC, an Oregon limited liability corporation, registered in Oregon as an insurance agency (“SOAPG”). SkyOak principals and employees Jennifer Davis, Donald Watson, Damien Rennie, & Robert Wisnovsky are licensed agents of SOAPG and when SkyOak recommends an insurance product to a client, the applicable insurance issuer may pay a commission to SOAPG.

While SkyOak does not itself offer to sell these investment programs and insurance products to its investment advisory clients, the Firm does permit its employees, independent contractors, and/or advisors who are registered representatives and/or insurance agents, in their individual capacities as registered representatives or insurance agents, to sell such securities or insurance products to its investment advisory clients. (Please see Item 10 below for additional disclosures regarding SOAPG.)

**CUSTODIAN AND BROKERAGE FEES.** Clients incur certain charges imposed by their custodians and other third parties such as custodial fees, 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 will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to Advisor’s investment management fee.

**FUND DISCLOSURES & FEES.** Mutual funds, closed-end funds, exchange traded funds and alternative investment funds are investment vehicles and the investment strategies, objectives and types of securities held by such funds vary widely. In addition to the advisory fee charged by SkyOak, clients indirectly pay for the expenses and advisory fees charged by the funds in which their assets are invested.

All such funds incur operating expenses in connection with the management of the fund. Investment funds pass some or all of these expenses through to their shareholders (the individual investors in the funds) in the form of management fees. The management fees charged vary from fund to fund. In addition, funds charge shareholders (individual investors in the funds) other types of fees such as early redemption or transaction fees. These charges also vary widely among funds. As a result, clients will still pay management fees and other, “indirect” fees and expenses as charged by each mutual fund (or other fund) in which they are invested.

Clients are provided a copy of a fund prospectus for each fund in which they invest by their custodian or by the fund sponsor rather than by SkyOak. As required by law, a prospectus represents the fund's complete disclosure of its management and fee structure. In addition, a fund's prospectus can be obtained directly from the fund.

**SEPARATELY MANAGED ACCOUNTS.** Within the investment allocation, SkyOak will sometimes use separately managed accounts which sometimes are handled by an independent, third party professional money manager (the "Manager") and held at the custodian, Charles Schwab Institutional or TD Ameritrade unless specified otherwise. In such cases, the client will enter into a separate fee arrangement with the Manager where clients will be charged by the Manager with whom their assets are invested. The Manager's quarterly or monthly fee will be deducted from the client's account directly. This Manager fee is in addition to the investment advisory fee charged by SkyOak.

SkyOak offers its clients its own proprietary actively traded portfolio (RAAMPS) in addition to offering other outside separately managed accounts as mentioned above. These portfolios are held at the custodian, Charles Schwab Institutional unless specified otherwise. SkyOak clients invested in these RAAMPS portfolios as part of their investment allocation will be charged a separate manager account fee of 0.50% annually, charged quarterly or monthly on the RAAMPS portfolio. This manager fee is in addition to the investment advisory fee charged by SkyOak.

**BOND DISCLOSURE.** Clients whose assets are invested in bonds purchased directly from an underwriter or various bond desks may pay a sales credit or sales concession to the underwriter on the trade (in lieu of a sales commission) ranging from 0% - 2% of the par value of the bond.

#### **GENERAL FEE DISCLOSURES**

We believe our investment management fees are competitive with the fees charged by other investment advisors for comparable services. However, comparable services may be available from other sources for lower fees than those charged by SkyOak.

We do not provide clients advice as to the tax deductibility of our advisory fees. Clients are directed to consult a tax professional to determine the potential tax deductibility of the payment of advisory fees.

#### **ITEM 6 - PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT**

No part of SkyOak's investment management fee is based upon capital gains or the capital appreciation of assets.

#### **ITEM 7 - TYPES OF CLIENTS**

SkyOak provides investment management services, financial planning, financial consulting services, 401k & other corporate services, personal wealth manager services, family office services, and certain specialty administrative services to individuals, corporations, and high net worth individuals and their respective trusts and estates; businesses; charitable foundations and individual pension and retirement accounts.

As a result of its minimum account size and minimum annual fee requirements, mentioned above, SkyOak's services may not be appropriate for everyone. Particularly for smaller accounts, other

investment advisors may provide somewhat similar services for lower compensation, although still others may charge more for similar services.

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

### **METHODS OF ANALYSIS**

In building portfolios, SkyOak utilizes widely accepted portfolio management techniques to construct investment portfolios based on client's investment objectives, risk tolerance and time horizon. Once an asset allocation is agreed upon, the portfolio is actively managed at the advisor's discretion. Other strategies such as dollar cost averaging, rebalancing, dividend reinvestment may be used at the discretion of the advisor. SkyOak offers customized income portfolios for clients with products, securities, and managers that vary based upon the client's individual situation. Income strategies are designed for purchasing longer term securities to provide long term income and are generally not designed for active trading. For growth portfolios, SkyOak offers discretionary proprietary balanced and equity portfolios as well as uses separately managed accounts. SkyOak's discretionary actively managed investment strategy, RAAMPS utilize a combination of fundamental, trend, and technical analysis. Investments are selected through a proprietary screening process. SkyOak maintains several actively managed individual equity strategies. The stocks are selected to align with the corresponding strategy and a historical correlation/predictability with the proprietary active management platform.

Fundamental analysis involves analyzing real data, including overall economic and company-specific information available to determine the value of a particular investment. Technical analysis involves analyzing statistics provided by market activity such as past prices and volume to identify patterns that can be used to predict future activity. The Firm consults third-party research materials, company annual reports and other regulatory filings, and financial newspapers and periodicals.

### **INVESTMENT STRATEGY**

We strive to provide customized solutions for our clients to align their wealth with their values, interests and goals. It is important that each investment portfolio is designed by taking into consideration each client's investment history, portfolio size, current & future income needs, time horizon, risk tolerance, and liquidity needs.

SkyOak offers advice regarding and is authorized to effect securities transactions in equities, municipal, government and corporate bonds, investment company products (i.e. mutual funds, exchange-traded funds, variable annuities) and alternative Investments mentioned below. We can also provide insurance solutions where appropriate. SkyOak may also provide advice about any type of investment held in a client's portfolio at the beginning of the advisory relationship.

We design our investment strategies to address and evaluate the accelerating rates of change in the 21st Century. We view our primary role as an investment advisor as one of risk manager. Mitigating risk in client portfolios is sought by careful evaluation of market trends, by participation in markets when they are good and by responding quickly when trends change. We respond to what the market is doing - we do not attempt to guess what the market is going to do. SkyOak takes an active role in managing assets instead of the "set it and forget it" or "periodic rebalancing" approach of many advisors.

### **ALTERNATIVE INVESTMENTS**

In addition to these types of investments the Firm also provides investment advice regarding alternative investments to qualified clients for whom such investments are deemed suitable. These alternative investments may include, but are not limited to, venture capital limited partnerships,

private equity, managed future funds, real estate, land, Real Estate Investment Trusts (REITS), real assets, and third party funds of funds.

## **INVESTMENT RISKS**

All securities investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Risk refers to the uncertainty that the actual return the investor realizes could differ from the expected return. Risks may be systematic, referring to factors that affect the returns on all comparable investments and that affect the market as a whole. Systematic risks include market risk, interest rate risk, reinvestment rate risk, purchasing power risk and exchange rate risk. Unsystematic risks depend on factors that are unique to the specific investment security. These risks include business risk and financial risk. **Here are some of the general risks associated with parts of our investment strategy:**

**Short-term purchases** - on occasion, generally only for tax management purposes, we may determine to buy or sell securities in a client's account and hold them for less than a year. Some of the risks associated with short-term trading that could affect investment performance are increased commissions and transaction costs to the account and increased tax obligations on the gains in a security's value.

**Bond Pricing** - The price of bonds depends in part on the current rate of interest. Rising interest rates decrease the current price of bonds because current purchasers require a competitive yield. As such, decreasing interest rates increase the current value of bonds with associated decrease in bond yield. We may decide to exchange to a lower or higher duration bond or to another asset class due to interest rate risk that could affect investment performance.

**Inflation** - Inflation is the loss of purchasing power through a general rise in prices. If an investment portfolio is designed for current income with a real rate of return of 4% and inflation were to rise to 5% or higher, the account would see a loss of purchasing power and create a negative real rate of return.

**Price Fluctuation** - Security prices do fluctuate (except for cash or cash equivalents) and clients must accept that risk associated with the fluctuations or change to a more appropriate investment portfolio in alignment with their risk tolerance.

**Reinvestment of Dividends** - An investor can choose to reinvest interest, dividends and capital gains to accumulate wealth. This may be an appropriate strategy for a portfolio designed for capital growth. However, the reinvested earnings could result in a lower or a higher rate than was initially earned. In our SkyOak actively trades portfolios, we do not reinvest stock dividends; dividends are paid in cash to the account as received.

**Mutual Funds with Foreign Asset Holdings** - Any investments in mutual funds that make foreign investments are subject to the uncertainty with changes in the foreign currency value. The client generally will bear more risk and may earn a substantially higher return or a substantially lower return.

**Margin Trading** - SkyOak does not advocate leverage as a part of its investment strategy. In rare cases, and generally only for short term financing considerations, clients may elect to assume a margin balance on their investment account. Our Custodian may require a percentage of assets under management to be pledged as collateral for the margin amount. Clients risk that in a falling market, the pledged collateral may be insufficient to cover a margin call by the custodian. Thus, all margin decisions are left to the client.



**Alternative Asset Classes** - Many alternative investments are illiquid, which means that the investments can be difficult to trade. Consequently, such holdings may limit a client's ability to dispose of such investments in a timely manner and at an advantageous price.

**Private Equities** -SkyOak may purchase or recommend the inclusion of shares in non-publicly traded equities in the accounts of accredited clients. These companies will generally have little available information on their financial status, capital structure or revenues, resulting in increased risk of loss, including total loss. In addition, these securities may be highly illiquid or may experience losses of liquidity - resulting in an inability to sell said equities or sales prices that are substantially below the purchase or market price. SkyOak, unless otherwise expressly agreed, will value these positions at their purchase price for any accounting purposes, which may not reflect losses that would be realized if the position was sold. Of particular risk is that SkyOak will base its account values for billing purposes on these positions' purchase price (unless another methodology is agreed upon with the client), leading to a potential motivation to overvalue said equities. Finally, SkyOak may have clients who are executives of said firms or have other financial relationships that may create conflicts of interest. Where such conflicts exist, SkyOak will disclose these conflicts in written format to the clients who hold such securities or whom we intend to purchase such securities under our discretion prior to any transactions.

#### **ITEM 9 - DISCIPLINARY INFORMATION**

SkyOak has no disciplinary history and consequently, is not subject to any disciplinary disclosures.

#### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

SkyOak is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer unless specifically stated in this document. Although we recommend that our clients custody their investment accounts at Charles Schwab & Co., Inc. ("Schwab") and/or TD Ameritrade Inc. (TD Ameritrade), we have no affiliation with Schwab and/or TD Ameritrade, do not supervise their brokerage activities and are not subject to their supervision.

Equity Institutional acts as the custodian for all Self Directed IRA account assets for those clients entering into a Self-Directed IRA Servicing agreement with Sky Oak. We have no affiliation with Equity Institutional, do not supervise its brokerage activities and are not subject to its supervision. Equity Institutional is independently owned and operated and not affiliated with SkyOak and does not supervise or otherwise monitor SkyOak's investment management services to its clients. Equally, Sky Oak does not supervise or otherwise monitor Equity Institutional's custodial services to its clients.

As mentioned above, SkyOak employees/advisors Jennifer A. Davis, Donald L. Watson, Anastasia Wilkinson and Tracy Ronningen are registered representatives of KW Securities, Inc. KW Securities is independent and unaffiliated with SkyOak and does not supervise SkyOak's investment management services and has no responsibility for the investment management decisions regarding the Firm's clients' assets or any other services it may offer its clients. Equally, SkyOak does not supervise and is not otherwise responsible for the brokerage services provided by KW Securities. Brokerage commissions are charged by KW Securities to the client to effect securities transactions and thereafter, a portion of these commissions may be paid by Brokers International Financial Services to registered representatives such as Ms. Davis. Mr. Watson, Ms. Wilkinson, and/or Mr. Ronningen. A conflict of interest exists to the extent that the Firm recommends the purchase of securities where such registered employee receives commissions or other compensation as a result of such recommendation.

Sky Oak Wealth Management, Inc. is affiliated with SkyOak Asset Protection Group, LLC, (identified previously as "SOAPG"). Jennifer Davis, SkyOak's Chief Executive Officer and Chief Compliance

Officer, Donald L. Watson, Robert Wisnovsky and Damien Rennie, SkyOak Financial Advisors, are licensed agents of SOAPG. SOAPG's agents are able to provide insurance products and services to SkyOak clients through their affiliation with SOAPG. SOAPG agents may be paid a sales commission on the products they offer to their clients, including joint clients of Sky Oak.

Although we may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters, neither the Firm nor its principals or employees are affiliated with any law or accountancy firm.

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

SkyOak, its officers, employees, independent contractors, and their immediate families (sometimes collectively "employees") are permitted to buy and sell securities for their personal investment accounts. The Firm has adopted employee personal trading policies and procedures and a code of ethics to govern proprietary (on behalf of the Firm itself) and employee trading practices. SkyOak's employees are required to report all personal securities transactions on a regular basis. Employees are required to sign a certification agreeing to abide by the Firm's personal trading practices and code of ethics. A copy of SkyOak's employee trading policies and code of ethics is made available to clients and prospective clients upon request.

SkyOak employees may trade in the same securities traded for clients. However, it is the expressed policy of the Firm that no employee shall prefer his or her own interest to that of an advisory client. Employees may personally invest in the same securities that are purchased for client trading accounts and may own securities that are subsequently purchased for client accounts.

From time to time, trading by employees in particular securities may be restricted in recognition of impending investment decisions on behalf of clients. If a security is purchased or sold for client accounts and employees on the same day, employee trades will be aggregated with those of participating client accounts, or will be traded at the end of the trade day. If purchased or sold on different days, it is possible that employees' personal transactions might be executed at more or less favorable prices that were obtained for clients.

Employees may buy or sell different investments, based on personal investment considerations, which the Firm may not deem appropriate to buy or sell for clients. It is also possible that Employees may take investment positions for their own accounts that are contrary to those taken on behalf of clients. Employees may also buy or sell a specific security for their personal account based on personal investment considerations aside from company or industry fundamentals, which are not deemed appropriate to buy or sell for clients. This can occur when securities that are not suitable for clients at the time of purchase (e.g., speculative stocks, micro-cap stocks, penny stocks), are purchased by the Firm and/or its employees.

Conversely, employees may liquidate a security position that is held both for their own account and for the accounts of Firm clients, sometimes in advance of clients. This occurs when personal considerations (i.e., liquidity needs, tax-planning, and industry/sector weightings) deem a stock sale necessary for individual financial planning reasons.

## **ITEM 12 - BROKERAGE PRACTICES**

### **RECOMMENDATION OF CUSTODIAN AND EXECUTING BROKER**

#### **CHARLES SCHWAB**

SkyOak may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc., a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Schwab is independently owned and operated and not affiliated with SkyOak and does not supervise or otherwise monitor SkyOak's investment management services to its clients. Schwab provides SkyOak with access to its institutional trading and custody services, which typically are not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab, but are not otherwise contingent upon SkyOak committing to Schwab any specific amount of business (in the form of either assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institution investors or would require a significantly higher minimum initial investment.

Schwab also makes available to SkyOak other products and services that benefit SkyOak but may not benefit its clients. Some of these other products and services assist SkyOak in managing and administering clients' accounts. These include software and other 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 SkyOak's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of SkyOak's accounts, including accounts not maintained at Schwab. Schwab also makes available to SkyOak other services intended to help SkyOak manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to SkyOak by independent third parties. Schwab may discount or waive fees it otherwise would charge for some of these services or pay all or a part of the fees of a third-party providing these services to SkyOak.

SkyOak's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to SkyOak of 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 Schwab, which may create a potential conflict of interest.

#### **TD AMERITRADE - INSTITUTIONAL PROGRAM**

SkyOak may recommend that clients establish brokerage accounts with TD Ameritrade, a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. SkyOak participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. There is no direct link between Advisor's participation in the program and

the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

#### **DIRECTED BROKERAGE**

In a limited number of cases, clients may direct SkyOak to place all orders for securities transactions with a specific broker-dealer (directed brokerage). In these cases, SkyOak is not obligated to, and will generally not solicit competitive bids for each transaction or seek the lowest commission rates for the client. As such, the client may pay higher commission costs, higher security prices and transaction costs than it otherwise would have had it not directed SkyOak to trade through a specific broker. In addition, the client may be unable to obtain the most favorable price on transactions executed by SkyOak as a result of SkyOak's inability to aggregate/bunch the trades from this account with other client trades.

As a result of the special instruction, SkyOak may not execute client securities transactions with brokers that have been directed by clients until non-directed brokerage orders are completed. Accordingly, clients directing brokerage may not generate returns equal to clients that do not direct brokerage.

Due to these circumstances, there may be a disparity in commission rates charged to a client who directs SkyOak to use a particular broker and performance and other differences from other similarly managed accounts. Clients who direct brokerage should understand that similar brokerage services may be obtained from other broker-dealers at lower costs and possibly with more favorable execution.

#### **BEST EXECUTION**

SkyOak is not obligated to obtain the best net price or lowest brokerage commission on any particular transaction. Rather federal law requires investment managers to use their reasonable best efforts to obtain the most favorable execution for each transaction executed on behalf of client accounts.

In selecting broker-dealers, SkyOak's primary objective is to obtain the best execution. Expected price, giving effect to brokerage commissions, if any, and other transaction costs, are principal factors, but the selection also takes account of other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealers willingness to commit capital, the broker-dealers reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the market for the security, the value of any research and other brokerage services provided by the broker-dealer, and the cost incurred by placing prime brokerage trades in client accounts.

Based upon an evaluation of some or all of these factors, SkyOak may execute client trades through broker-dealers that charge fees that are higher than the lowest available fees. SkyOak may select broker-dealers whose fees may be greater than those charged for similar investments if SkyOak determines that brokerage services and research materials provided by that broker-dealer warrant the payment of higher fees.

SkyOak reviews transaction results periodically to determine the quality of execution provided by the various broker-dealers through whom SkyOak executes transactions on behalf of clients.

#### **SOFT DOLLAR ARRANGEMENTS AND POTENTIAL CONFLICTS**

SkyOak is not a party to any arrangements whereby it receives from an executing broker or allows a broker to pay for research or brokerage services, known as "soft dollar" arrangements. "Soft dollars" refers to the use of brokerage commissions on client trades to pay for the soft dollar research or brokerage services received.

SkyOak may, on occasion, be the recipient of unsolicited research or discounts on software and other services from Schwab and/or TD Ameritrade. The discounts are generally offered to all firms who fit a common profile and SkyOak is not offered such discounts because of a particular event or request. Such discounts are accepted with the intent to benefit all clients and the value of these discounts is not considered in the process of selecting securities to purchase for client accounts.

#### **AGGREGATION OF TRADES AND POTENTIAL CONFLICTS**

SkyOak may combine transaction orders on behalf of multiple clients and allocate the securities or proceeds on an average price basis among the various participants in the transactions. SkyOak and/or its associated persons may participate in such aggregated orders.

While SkyOak believes combining transaction orders in this way should, over time, be advantageous to all participants, in particular cases the average price could be less advantageous to a particular client than if such client had been the only client effecting the transaction or had completed its transaction before the other participants. There may be circumstances in which transactions on behalf of SkyOak or its associated persons may not, under certain laws and regulations, be combined with those of some of SkyOak other clients. In such cases, neither SkyOak nor any associated person will effect transactions in a security on the same day as clients until after the clients' transactions have been executed.

When orders are aggregated, the price paid by each account is the average price of the order. Transaction costs are allocated to each client by the client's custodian according to the client's custodial agreement. It is our policy that trades are not allocated in any manner that favors one group of clients over another over time. Client transactions may be aggregated according to custodial relationship in consideration of "trade away" charges that may be imposed if trades are directed to a

non-custodial broker-dealer for execution. Aggregated trades placed with different executing brokers may be priced differently.

#### **ALLOCATION OF OPPORTUNITIES AND POTENTIAL CONFLICTS**

Because we manage more than one client account, there may be a conflict of interest related to the allocation of investment opportunities among all accounts managed by the Firm. We attempt to resolve all such conflicts in a manner that is generally fair to all of clients over time. We may give advice and take action with respect to any of our clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon individual client circumstances. It is our policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients. The Firm is not obligated to acquire for any client account any security that the Firm or its owners, officers, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of the portfolio managers, based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

#### **ITEM 13 - REVIEW OF ACCOUNTS**

SkyOak monitors client investment accounts and transactions on a periodical basis. Client reviews of account performance, asset allocation and investment holdings are conducted on at least an annual basis. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, changes in the market or political environment. Investment management account reviews are conducted by Jennifer A. Davis, CFP®, President and Portfolio Manager. All investment management clients are encouraged to discuss their investment goals and objectives with SkyOak and to keep the Firm informed of any changes thereto. SkyOak contacts ongoing investment management clients at least annually to discuss any changes in the client's financial situation and/or investment objectives.

For those financial planning and financial consulting clients, reviews are conducted upon client request and as agreed to by SkyOak. Financial planning reviews are conducted by Ms. Davis, Mr. Watson, Mr. Rennie, Ms. Lee, Mr. Baumgartner, and/or Mr. Wisnovsky.

Clients receive periodic reports, no less than annually, from SkyOak that include relevant account and/or market-related information such as an inventory of account holdings and account performance. Clients also receive monthly statements from the qualified custodian of the account showing all securities holdings, contributions, withdrawals and other activities to their accounts. Clients are advised to regularly compare the reports received from SkyOak with the statements received from the custodian to verify holdings.

Those clients to whom SkyOak provides financial planning and financial consulting services will receive ongoing financial analyses only as requested by the client and as agreed to by SkyOak.

#### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

SkyOak may pay referral fees, where permitted by law, to any third party firms or individuals for recommending the Firm to prospective clients. The Firm or its employees may be paid referral fees by any third party for referring clients to their businesses. We do not direct brokerage transactions to any broker-dealer in exchange for receiving client referral.

## **ITEM 15 - CUSTODY**

SkyOak does not maintain physical custody of client funds or securities. Clients are required to set up their investment accounts with a “qualified custodian,” namely a broker dealer, bank or trust company. SkyOak is unable to take even temporary possession of client assets for the purpose of transferring them to the client’s account. Each client has a direct relationship with their custodian and is responsible for making deposits to and withdrawals from their account as necessary. The Firm is given the authority to receive payment of its management fees directly from the account, but it is not authorized to make any other withdrawals or to transfer money out of the account to a third party.

### **DISCLOSURES RELATED TO CUSTODIANS**

Schwab Advisor Services, a division of Schwab, acts as one of the custodians and executing broker-dealer for SkyOak’ advisory clients. Schwab is independently owned and operated and not affiliated with SkyOak and does not supervise or otherwise monitor our investment management services to our clients.

For SkyOak client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into client accounts that are held with Schwab. In most cases, trade executions for client accounts custodian at Schwab will be made by Schwab to avoid “trade away” charges otherwise imposed for trades executed at other broker-dealers. In cases where a desired security is not available for purchase or sale through the custodial broker, and in light of our best execution evaluation, certain executions may be made at a different broker-dealer.

Schwab sends account statements directly to the client (or to an independent third party representative designated by the client), no less than monthly, showing all funds and securities held, their current value and all transactions executed in the client’s account, including the payment to SkyOak of its investment management fees.

Equity Institutional acts as custodian for certain non-traditional assets the client may hold as well as for Self-Directed IRAs. Equity Institutional is independently owned and operated and not affiliated with SkyOak. Equity Institutional sends accounts statements directly to the client, no less than quarterly, showing all positions and transactions in account.

## **ITEM 16 - INVESTMENT DISCRETION**

Advisory clients appoint SkyOak as their investment advisor and grant full trading and investment authority over their assets at the time they establish their investment accounts. Subject to the Firm’s investment strategy and the client’s investment objectives, our portfolio managers and/or advisors are given full discretion to determine:

- Types of investments;
- Which securities to buy;
- Which securities to sell;
- The timing of any buys or sells;
- The amount of securities to buy or sell; and
- The broker-dealer to be used in the transaction

This discretion may be limited by client investment guidelines and by any investment restrictions set by the client. Where possible, the Firm will attempt to negotiate the commission rates at which transactions for client accounts are effected, with the objective of attaining the most favorable price and market execution for each transaction. Except in the case of directed brokerage instructions, client securities transactions generally are executed through the custodian of their account to avoid “trade away” fees for trades that are executed at other broker-dealers. In some cases, a particular security may be not be available through the client’s custodian or available only under execution parameters or at an overall cost that makes the use of an alternative executing broker more advantageous for that transaction. In such cases, the portfolio managers and/or advisor have the discretion to select the broker to execute the trade.

#### **ITEM 17 - VOTING CLIENT SECURITIES**

It is SkyOak policy not to vote proxy solicitations received on behalf of clients from the issuers of securities held in client’s account. All such solicitations can be forwarded to client for voting upon receipt of a client request. Any client wishing to review our proxy voting policies in full may request a copy.

#### **ITEM 18 - FINANCIAL INFORMATION**

SkyOak does not require or solicit prepayment of more than \$1,200 of its investment management fees from clients six or more months in advance. There are no adverse conditions related to the Firm’s finances that are likely to impair its ability to meet its contractual commitments to its clients. The Firm has not been the subject of a bankruptcy filing in the last ten years.



## INDEX OF ERISA RELATED DISCLOSURES

SkyOak Wealth Management, Inc. (“SkyOak”, the “Firm”, or “Advisor”) may provide investment management services to retirement plans governed by the Employee Retirement Investment Security Act (“ERISA”). ERISA regulations require that specific disclosures be made to the ERISA plan fiduciary that is authorized to enter into, or extend or renew, an agreement with the Firm to provide these services. The following Index identifies the disclosures required and the location where plan representatives may find them. It is intended to assist ERISA Plan representatives with compliance with the service provider disclosure regulations under section 408(b) (2) of ERISA. Any questions concerning this guide or the information provided regarding our services or compensation should be addressed to our Chief Compliance Officer at the number noted on the cover page of this ADV Part 2A.

Required Disclosure	Location of the Required Disclosure
Description of the services that Advisor will provide to covered ERISA plans	Item 4 of this Form ADV Part 2A and paragraphs 1-4 of the client plan’s investment management agreement with the Firm.
Statements that the services that Advisor will provide to covered ERISA plans will be as an ERISA fiduciary and registered investment adviser	Item 4 of this Form ADV Part 2A and paragraph 16 of the client plan’s investment management agreement with the Firm.
Description of the direct compensation to be paid to Advisor	Item 5 - 6 of this Form ADV Part 2A and paragraphs 5-7 and 10 of the client plan’s investment management agreement with the Firm.
Description of the indirect compensation Advisor might receive from third parties in connection with providing services to covered ERISA plans, if any	Items 10, 12 and 14 of this Form ADV Part 2A.
Description of the compensation to be shared between Advisor and any third party or any affiliated entity, if any	Items 10 and 14 of this Form ADV Part 2A.
Compensation that Advisor will receive upon termination of its agreement to provide investment management services, if any	Item 4 of this Form ADV Part 2A.