

***Item 1      Cover Page***

Live Oak Wealth Advisory Group, LLC d/b/a Jobes Solo Investment Group

**ADV Part 2A, Firm Brochure  
Dated: March 13, 2025**

**SEC No.: 801-122404**

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**This Brochure provides information about the qualifications and business practices of Live Oak Wealth Advisory Group, LLC d/b/a Jobes Solo Investment Group (“LOWAG” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (281) 822-9200 or [jsolo@liveoakwag.com](mailto:jsolo@liveoakwag.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Live Oak Wealth Advisory Group, LLC d/b/a Jobes Solo Investment Group is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information you may use to determine to hire or retain an Adviser.**

**Additional information about Live Oak Wealth Advisory Group, LLC d/b/a Jobes Solo Investment Group also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site using a unique identifying number, known as a CRD number. LOWAG’s CRD number is 154962.**

## **Item 2           Material Changes**

There have been no material changes in this brochure from the last annual updating amendment of Live Oak Wealth Advisory Group, LLC d/b/a Jobes Solo Investment Group on March 27, 2024. Material changes relate to Live Oak Wealth Advisory Group, LLC d/b/a Jobes Solo Investment Group's policies, practices or conflicts of interests.

Certain non-material changes have been made at Item 4 to enhance disclosure regarding our advisory services. Item 7 has been revised regarding our account minimums. Item 8 has been amended to provide additional information regarding our strategies.

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#### Item 4            Advisory Business

- A. Live Oak Wealth Advisory Group, LLC d/b/a Jobes Solo Investment Group (“LOWAG”) is a limited liability company formed on August 12, 2010 in the State of Texas. LOWAG became registered as an Investment Adviser Firm in September 2010. The Firm is owned by Jonathan Solo. Jonathan Solo is the Firm’s Managing Member.
- B. As discussed below, LOWAG offers to its clients (individuals, high net worth individuals, trusts, and estates) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

#### INVESTMENT ADVISORY SERVICES

The client can determine to engage LOWAG to provide discretionary and/or non-discretionary investment advisory services on a fee basis as discussed at Item 5 below. LOWAG’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Firm’s management. Before engaging LOWAG to provide investment advisory services, clients are generally required to enter into an Investment Advisory Agreement with LOWAG setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. To commence the investment advisory process, LOWAG will ascertain each client’s investment objective(s) and then allocate the client’s assets consistent with the client’s designated investment objective(s). Once allocated, LOWAG provides ongoing supervision of the account(s).

For individual retail (i.e., non-institutional) clients, LOWAG's annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of LOWAG), LOWAG may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

#### FINANCIAL PLANNING AND CONSULTING SERVICES

To the extent requested by a client, LOWAG *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging LOWAG to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement*, setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to LOWAG commencing services.

If requested by the client, LOWAG may recommend the services of other professionals for implementation purposes. (*See* disclosure at Item 10 C.8). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from LOWAG. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the engaged professional shall remain responsible for resolving any such dispute with the client the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional([s]) (i.e., attorney, accountant, insurance agent, etc.), and not LOWAG, shall be responsible for the quality and competency of the services provided. **Please Also Note:** It remains the client's responsibility to promptly notify LOWAG if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/ evaluating/revising LOWAG's previous recommendations and/or services.

#### MISCELLANEOUS

**Limitations of Financial Planning and Non-Investment Consulting and Implementation Services.** As indicated above, to the extent requested by the client, LOWAG may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. LOWAG believes that it is important for the client to address financial planning issues on an ongoing basis. . **Please Note.** LOWAG believes that it is important for the client to address financial planning issues on an ongoing basis. LOWAG's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with LOWAG. LOWAG does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, LOWAG does not prepare estate planning documents or tax returns. To the extent requested by a client, LOWAG may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from LOWAG and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and not LOWAG, shall be responsible for the quality and competency of the services provided. **Please Also Note- Conflict of Interest: LOWAG's Chief Compliance Officer, Jonathan Solo, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Please Note: Retirement Rollovers Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets

to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If LOWAG recommends that a client roll over their retirement plan assets into an account to be managed by LOWAG, such a recommendation creates a conflict of interest if LOWAG will earn new (or increase its current) compensation as a result of the rollover. If LOWAG provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), LOWAG is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by LOWAG, whether it is from an employer's plan or an existing IRA. **LOWAG's Chief Compliance Officer, Jonathan Solo, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Custodian Charges-Additional Fees.** As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, LOWAG shall generally recommend that Charles Schwab & Co., Inc. Advisor Services ("Charles Schwab") and/or Interactive Brokers LLC ("Interactive Brokers") serve as the broker-dealer/custodian for client investment management assets. The specific broker-dealer/custodian recommended could depend upon the scope and nature of the services required by the client. Broker-dealers such as Schwab charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, dealer spreads, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including Schwab, generally (with exceptions) do not currently charge fees on individual equity transactions (including ETFs), others do. Please Note: there can be no assurance that Schwab will not change its transaction fee pricing in the future. Please Also Note: Interactive Brokers and Schwab may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically

**Separately Managed Account Programs.** LOWAG may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among affiliated Separately Managed Account programs, including Interactive Brokers Money Manager Marketplace, in accordance with the client's designated investment objective(s). In such situations, the Separately Managed Account Manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. LOWAG shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which LOWAG shall consider in recommending Separately Managed Account programs include the client's designated investment objective(s) as applied to the Separately Managed Account program: management style, performance,

reputation, financial strength, reporting, pricing, and research.

**Independent Managers.** LOWAG may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. LOWAG will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives.

LOWAG generally considers the following factors when recommending Independent Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager(s) are exclusive of, and in addition to, LOWAG's ongoing investment advisory fee, which will be disclosed to the client before entering into the Independent Manager engagement and/or subject to the terms and conditions of a separate agreement between the client and the Independent Manager(s).

**Account Aggregation Platform.** LOWAG may provide its clients with access to one or more online account aggregation platforms (the "Platforms"). The Platforms allows a client to view their complete asset allocation, including those assets that LOWAG does not manage (the "Excluded Assets"). LOWAG does not provide investment management, monitoring, or implementation services for the Excluded Assets. Unless otherwise specifically agreed to, in writing, LOWAG's service relative to the Excluded Assets is limited to reporting only. Therefore, LOWAG shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not LOWAG, shall be exclusively responsible for such investment performance. Without limiting the above, LOWAG shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may choose to engage LOWAG to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between LOWAG and the client. The Platforms may also provide access to other types of information and applications including financial planning concepts and functionality, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by LOWAG. Finally, LOWAG shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the Platforms without LOWAG's assistance or oversight.

**Use of Mutual and Exchange Traded Funds.** Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by LOWAG independent of engaging LOWAG as an investment advisor. However, if a prospective client determines to do so, he/she will not receive LOWAG's initial and ongoing investment advisory

services.

In addition to LOWAG's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

**Variable Annuity Sub-divisions.** LOWAG may also render discretionary investment management services to clients relative to variable annuity products that they may own. In so doing, LOWAG directs the allocation of client assets among the various mutual fund sub-divisions which comprise the variable annuity product based upon the investment objectives of the client.

**Bitcoin, Cryptocurrency, and Digital Assets.** For clients who want exposure to Bitcoin, cryptocurrencies, or digital assets, the Firm will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Bitcoin and cryptocurrencies are digital assets that can be used for various purposes, including transactions, decentralized applications, and speculative investments. Most digital assets use blockchain technology, an advanced cryptographic digital ledger, to secure transactions and validate asset ownership. Unlike conventional currencies issued and regulated by monetary authorities, cryptocurrencies generally operate without centralized control, and their value is determined by market supply and demand. While regulatory oversight of digital assets has evolved significantly since their inception, they remain subject to variable regulatory treatment globally, which may impact their risk profile and liquidity. Bitcoin, cryptocurrency, and digital asset investments are speculative and subject to extreme price volatility, liquidity constraints, and the potential for total loss of principal. The speculative nature of digital assets notwithstanding, the LOWAG may (but is not obligated to) utilize crypto exposure in one or more of its asset allocation strategies for diversification purposes. Investment in Bitcoin, cryptocurrencies, or digital assets carry the potential for liquidity constraints, extreme price volatility, regulatory risk, technological risk, security and custody risk, and complete loss of principal. Notice to Opt Out: Clients can notify the Firm, in writing, to exclude cryptocurrency exposure from their accounts. Absent the Firm's receipt of such written notice from the client, LOWAG may (but is not obligated to) utilize cryptocurrency as part of its asset allocation strategies for client accounts.

**Portfolio Activity.** LOWAG has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, LOWAG will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when LOWAG determines that changes to a client's portfolio are neither necessary nor prudent.

Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity

**Cash Positions.** LOWAG continues to treat cash as an asset class. As such, unless determined to the contrary by LOWAG, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating LOWAG's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), LOWAG may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, LOWAG's advisory fee could exceed the interest paid by the client's money market fund.

**Research Signal Provider or Model Provider Arrangements.** LOWAG, through its Quant Strat division, provides research signal provider and investment models to unaffiliated family offices. Research Signal Provider or Model Provider Arrangements. Through its QuantStrat division, LOWAG receives quantitative investment signals and investment models. LOWAG then executes the specified trades on behalf of clients through its execution partners

**Cash Sweep Accounts.** Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion, LOWAG shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund (or other type security) available on the custodian's platform, unless LOWAG reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account. The above does not apply to the cash component maintained within a LOWAG actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager and cash balances maintained for fee billing purposes. The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any LOWAG unmanaged accounts.

**ByAllAccounts and Orion Advisor Services.** LOWAG, in conjunction with the services provided by ByAllAccounts, Inc., and Orion may also provide periodic comprehensive reporting services which can incorporate all of the client's



investment assets, including those investment assets that are not part of the assets managed by LOWAG (the “Excluded Assets”). **The client and/or their other advisors that maintain trading authority, and not LOWAG, shall be exclusively responsible for the investment performance of the Excluded Assets.** Unless otherwise specifically agreed to, in writing, LOWAG’s service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if LOWAG is specifically engaged to monitor and/or allocate the assets within the client’s 401(k) account maintained away at the custodian directed by the client’s employer. As such, except with respect to the client’s 401(k) account (if applicable), LOWAG does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client’s designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets. If LOWAG were asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and LOWAG shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that LOWAG provide investment management services for the Excluded Assets, the client may engage LOWAG to do so pursuant to the terms and conditions of the Investment Advisory Agreement between LOWAG and the client.

**Cybersecurity Risk.** The information technology systems and networks that LOWAG and its third-party service providers use to provide services to LOWAG’s clients employ various controls that are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in LOWAG’s operations and/or result in the unauthorized acquisition or use of clients’ confidential or non-public personal information. In accordance with Regulation S-P, LOWAG is committed to protecting the privacy and security of its clients’ non-public personal information by implementing appropriate administrative, technical, and physical safeguards. LOWAG has established processes to mitigate the risks of cybersecurity incidents, including the requirement to restrict access to such sensitive data and to monitor its systems for potential breaches. Clients and LOWAG are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur financial losses and/or other adverse consequences. Although the LOWAG has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that the LOWAG does not control the cybersecurity measures and policies employed by third-party service providers, issuers of securities, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchanges, and other financial market operators and providers. In compliance with Regulation S-P, the LOWAG will notify clients in the event of a data breach involving their non-public personal information as required by applicable state and federal laws.

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to engage LOWAG on a non-discretionary investment advisory basis must be willing to accept that the Firm cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event

of a market correction during which the client is unavailable, LOWAG will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

**Client Obligations.** In performing its services, LOWAG shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify LOWAG if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/ evaluating/revising LOWAG's previous recommendations and/or services.

**Disclosure Brochure.** A copy of LOWAG's written Brochure and the Client Relationship Summary, as set forth on Part 2A of Form ADV and Form CRS, respectively, shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

- C. LOWAG shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, LOWAG shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on LOWAG's services.
- D. LOWAG does not participate in a wrap fee program.
- E. As of December 2024, LOWAG had \$ 143,024,276 in assets under management on a discretionary basis and \$0.00 in assets under management on a non-discretionary basis. LOWAG also has assets under advisement of approximately \$260,000,000.

## **Item 5            Fees and Compensation**

A.

### **INVESTMENT ADVISORY SERVICES**

If a client determines to engage LOWAG to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis, LOWAG's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under LOWAG's management (between negotiable and 1.75%), as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
\$0 - \$500,000	1.75%
\$501,000 - \$1,000,000	1.50%
> \$1,000,000	1.25%

LOWAG's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of LOWAG), LOWAG may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

Please Note: Certain clients may subject to a legacy fee schedule ( generally 1.00% of assets under management on an annual basis) and billed on a monthly basis in arrears based upon the average daily balance in their account during the previous month.

The manner in which each client is to be billed will be specified in their investment advisory agreement.

LOWAG adjusts its fee billing for intra-period additions to or withdrawals from, managed accounts in excess of 25% of the current account balance.

**Fee Dispersion.** LOWAG, in its discretion, may charge a lesser or higher investment advisory fee, charge a flat fee, waive applicable minimum asset or minimum fee levels, waive its fee entirely, or charge a fee on a different interval, based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Please Note: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent requested by a client, LOWAG *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. LOWAG's planning and consulting fees are negotiable, but generally range from \$1,250 to \$5,000 on a fixed fee basis, and from \$125 to \$250 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have the Firm's advisory fees deducted from their custodial account. Both LOWAG's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of LOWAG's investment advisory fee and to directly remit that management fee to LOWAG in compliance with regulatory procedures. In the limited event that

LOWAG bills the client directly, payment is due upon receipt of LOWAG's invoice. LOWAG shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, LOWAG shall generally recommend that Charles Schwab & Co., Inc. Advisor Services ("*Charles Schwab*") and/or Interactive Brokers LLC ("*Interactive Brokers*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Charles Schwab* and *Interactive Brokers* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to LOWAG's investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. The Firm's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The *Investment Advisory Agreement* between LOWAG and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, LOWAG shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. The Firm does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

LOWAG may also enter into performance fee arrangements with individual clients who qualify under Rule 205-3 of the Investment Advisers Act of 1940 (i.e., a client who has at least \$1.1 million in portfolio assets managed by LOWAG, or who together with their spouse have a net worth of at least \$2.2 million, excluding their principal residence. Clients are advised that performance-based fees involve a sharing of any portfolio gains between the client and the investment manager. Such performance-based fees create an economic incentive for LOWAG to take additional risks in the management of a client portfolio that may be in conflict with the client's current investment objectives and tolerance for risk. Please Also Note: Conflict Of Interest. Because performance fee (incentive) arrangements permit LOWAG and/or its affiliates to earn compensation in excess of its standard asset-based fee schedule referenced in Item 5 above, the recommendation that a client enter into a performance fee arrangement (or become a Fund investor) presents a conflict of interest. No client is under any obligation to enter into a performance fee arrangement or become a Fund investor.

Performance-based fees may only be offered to clients who meet one of the

following criteria:

- A natural person who or a company that immediately after entering into the contract has at least \$1,100,000 under the management of the investment adviser
- A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
- Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse, excluding principal residence) of more than \$2,200,000, at the time the contract is entered into; or
- Is a qualified purchaser as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
- A natural person who immediately prior to entering into the contract is:
- An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or
- An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

## **Item 7           Types of Clients**

The Firm's clients shall generally include individuals, high net worth individuals, trusts, and estates. LOWAG does not generally require an annual minimum fee or asset level for investment advisory services. LOWAG, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). A minimum of \$1,000,000 of assets under management is required for our services. This account size may be negotiable under certain circumstances

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

- A. The Firm may utilize the following methods of security analysis,:
- Charting - (analysis performed using patterns to identify current trends and

- trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Firm may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by LOWAG) will be profitable or equal any specific performance level(s).

- B. The Firm's methods of analysis and investment strategies do not present any significant or unusual risks.

Notwithstanding, every method of analysis has its own inherent risks. To perform an accurate market analysis LOWAG must have access to current/new market information. The Firm has no control over the dissemination rate of market information; therefore, unbeknownst to LOWAG, certain analyses may be compiled with outdated market information, severely limiting the value of LOWAG's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Firm's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent

trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

The Firm implements Adaptive Asset Management strategies with a focus on downside risk protection. The Firm's systematic investment strategies are based upon foundation of quantitative mathematical algorithms designed to navigate different market conditions. By combining proprietary risk/reward models with a disciplined, adaptive approach, the Firm seeks to deliver:

**Downside Risk Limitation:** Prioritizing the preservation of capital by emphasizing risk management.

**Upside Potential:** Capturing income and capital appreciation during favorable risk/reward conditions.

**Non-Correlated Returns:** Generating consistent performance with lower volatility over the medium to long term, independent of market direction.

Our strategies focus on minimizing drawdowns through meticulous risk analysis while seizing opportunities for growth when conditions align with our risk/reward parameters. With capital preservation as our guiding principle, we seek to provide consistent returns in the following strategies:

#### 1) ADAPTIVE HIGH YIELD INCOME STRATEGY

This strategy employs a mathematically driven algorithm that focuses on low volatility and momentum anomalies. The strategy represents a potential fixed income alternative that utilizes highly liquid treasury bonds, high yield bonds and cash equivalents through investment in mutual funds and ETFs. Exposure to each asset is adaptively managed with the goal of earning income and achieving capital appreciation, while minimizing potential drawdowns.

#### 2) ADAPTIVE MULTI-ASSET INCOME STRATEGY

This strategy employs a mathematically driven algorithm that focuses on the volatility and momentum characteristic of changing market conditions. This is an income-focused strategy that invests in treasuries, high yield, equity, and cash equivalent mutual funds and ETFs. The strategy's core objective is to seek a combination of capital appreciation and income while minimizing potential drawdowns by adaptively managing exposure to each asset class.

#### 3) ADAPTIVE GLOBAL EQUITY GROWTH STRATEGY

This strategy employs a mathematically driven algorithm that focuses on the volatility and momentum anomalies. This is a capital appreciation strategy focused on equities that invests in US Indices, Global indices, alternative asset classes, US

sectors, and cash equivalents through the use of mutual funds and ETFs. Exposure to each asset is adaptively managed and designed to achieve capital appreciation, while minimizing potential drawdowns.

In addition to the fundamental investment strategies discussed above, LOWAG may also implement and/or recommend – short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

**Short Sales.** Short selling, which involves the selling of assets that the investor does not own, is an investment strategy with a high level of inherent risk. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender.

Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

**Margin Transactions.** A margin transaction strategy, in which an investor uses borrowed assets to purchase financial instruments, involves a high level of inherent risk. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by LOWAG in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to LOWAG may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client's decision to employ margin may correspondingly increase the management fee payable to LOWAG. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

**Options Strategies.** The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by LOWAG shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by LOWAG is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal



volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct LOWAG, in writing, not to employ any or all such strategies for his/her/their/its accounts.

For detailed information on the use of options and option strategies, please refer to the Option Clearing Corp.'s Option Disclosure Document, which can be found at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>  
Hard copies may be ordered by calling 1-888-678-4667 or writing OCC, 1 North Wacker Drive, Suite 500 Chicago, IL 60606.

**Please Note: Inverse/Enhanced Market Strategies.** LOWAG may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse (opposite) result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. To the contrary, such funds and/or strategy or strategies can suffer substantial losses. In light of these enhanced risks/rewards, a client may direct LOWAG, in writing, not to employ any or all such strategies for his/her/their/its accounts. **There can be no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct LOWAG, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**Hedge funds** are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market. Hedge funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; are not required to provide periodic pricing or valuation information to investors; may involve complex tax structures and delays in distributing important tax information; and are not subject to the same regulatory requirements as mutual funds.

**Exchange-Traded Notes.** LOWAG may also utilize and/or recommend that a client utilize exchange-traded notes ("ETNs"). ETNs are a type of debt security that trade on exchanges and seek a return linked to a market index or other benchmark. ETNs are unsecured debt securities issued by an underwriting bank. They have a maturity date and are backed only by the credit of the underwriting bank. ETNs are linked to the performance of a particular market benchmark(s) or strategy and upon maturity, the underwriting bank promises to pay the amount reflected in the benchmark index minus fees. ETNs are only linked to the performance of a

benchmark; they do not actually own the benchmark index. ETNs face the risk that the credit rating of the underwriting bank may be reduced or the underwriting bank may go bankrupt, thus reducing the value of the ETN. Even though ETNs are not equities or index funds, they may also face some of the risks of investing in equities or index funds. The return on an ETN generally depends on price changes if the ETN is sold prior to maturity (as with stocks or ETFs) or on the payment, if any, of a distribution if the ETN is held to maturity (as with some other structured products).

**Use of Margin and Securities Based Loans.** LOWAG generally does not recommend the use of margin loans or securities-based loans (collectively, “SBLs”) as a leveraged investment strategy, in which the account would leverage borrowed assets as collateral for the purchase of additional securities. However, client accounts may maintain the ability to use margin, including in connection the use of options, discussed further above. Clients also generally retain the ability to establish a margin account with the client’s broker-dealer/custodian or their affiliated banks (each, an “SBL Lender”) to access SBLs for financial planning and cash flow management purposes. The client is never under any obligation to establish an SBL and may restrict LOWAG’s ability to utilize SBLs in managing the client’s account at any time, in writing.

The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. Borrowing funds on margin is not suitable for all clients and is subject to certain risks, including but not limited to those described below. Before agreeing to participate in an SBL program, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing “margin calls” and liquidating securities and other assets in the client’s accounts. The following describes some of the risks associated with SBLs, which LOWAG recommends that clients consider before participating in an SBL program:

1. **Increased Portfolio Risk, Including the Risk for Potential Losses in the Event of a Downturn:** Borrowing money on margin increases a client’s level of exposure to market risk and volatility. The more money a client borrows on margin, the greater the market risk. This is especially true in the event of a significant downturn in the value of the assets used to collateralize the SBL. In some circumstances, clients may lose more money than they originally invested and borrowed. As the marginable investments in a client’s portfolio provide the collateral for the SBL, the value of that collateral fluctuates according to market activity, while the amount the client borrows stays the same.
2. **The Potential Obligation to Post Collateral or Repay the SBL if the SBL Lender Determines that the Value of Collateralized Securities is No Longer Sufficient to Support the Value of the SBL:** The SBL requires a certain minimum value of equity to continue service of the SBL (the “Maintenance Requirement”). If the

value of the client's portfolio securities decline in value, so does the value of the collateral supporting the SBL. If the value of the SBL collateral declines to an amount where it is no longer sufficient to support the borrower's line of credit or loan, the SBL Lender will issue a "Maintenance Call" (also referred to as a "margin call"). In that event, the client would be required to post additional collateral or repay the SBL within a specified period of time. The SBL Lender is also commonly entitled to increase its Maintenance Requirement at any time, without having to provide prior written notice to the borrower. As a result, borrowers are subject to risk of repayment of the loan and should be aware of such risks when foregoing a traditional mortgage to finance a real estate purchase.

3. **The Risk that the SBL Lender may Liquidate the Client's Securities to Satisfy its Demand for Additional Collateral or Repayment:** The SBL Lender commonly reserves the right to render the borrower's repayment immediately due, and/or terminate the SBL at any time without cause, at which point, the outstanding SBL balance would become immediately due and payable. However, if the borrower is unable to add additional collateral to their account or repay the loan with readily available cash, the SBL Lender can typically liquidate the borrower's securities and keep the cash to satisfy the Maintenance Call. When liquidating the securities of the borrower's investment portfolio, the SBL Lender usually reserves the right to decide which securities to sell to protect its interests, and is not necessarily required to provide written notice of its intentions to liquidate. Accordingly, clients who borrow money through an SBL should be aware of this risk and that such risk is not limited to the margin in the client's account, which could result in the client having to owe additional money or collateral to the SBL Lender after the positions are liquidated. It is therefore possible that a client can lose more money than what the client originally invested into the portfolio.
4. **Liquidity Risk:** SBLs also have a significant effect on the liquidity of a client's portfolio. Namely, a security (whether an equity, mutual fund or ETF) that is used as collateral for an SBL loses its liquidity as long as the SBL is outstanding. Decreased liquidity increases portfolio risk and restricts a client's access to their funds, which clients should strongly consider before using an SBL.
5. **Impact on Advisory Fees:** LOWAG's fee is generally calculated based on assets under LOWAG's management, net of any outstanding SBL balance. This incentivizes LOWAG to recommend that clients pay off any outstanding SBL balances, as such outstanding balances reduce the asset base upon which LOWAG's fee is based. If margin is used either by LOWAG or the client to purchase assets that LOWAG will manage, LOWAG would not include the entire market value of the margined assets when computing its advisory fee. Further, if LOWAG recommends that a client apply for an SBL instead of selling securities that LOWAG manages for a fee to meet liquidity purposes, the recommendation presents a conflict of interest because selling those securities (instead of leveraging those securities to access an SBL) would decrease LOWAG's investment advisory fee.

- C. Currently, LOWAG primarily allocates client investment assets among various individual equity and fixed income securities, mutual funds and/or exchange traded funds (“ETFs”) (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary and non-discretionary basis in accordance with the client’s designated investment objective(s).

**Item 9            Disciplinary Information**

LOWAG has not been the subject of any disciplinary actions.

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

- A. Neither LOWAG, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither LOWAG, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. LOWAG has no financial industry activity or affiliation that is responsive to this section.
- D. The Firm does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Firm maintains an investment policy relative to personal securities transactions. This investment policy is part of LOWAG’s overall Code of Ethics, which serves to establish a standard of business conduct for all of LOWAG’s Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, LOWAG also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by LOWAG or any person associated with LOWAG.

Neither Live Oak, nor any related person of Live Oak recommends, buys, or sells for client accounts, securities in which Live Oak or any related person of Live Oak has a material financial interest. The Firm and/or representatives of the Firm *may*

buy or sell securities that are also recommended to clients. This practice may create a situation where LOWAG and/or representatives of LOWAG are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if LOWAG did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed before those of LOWAG’s clients) and other potentially abusive practices.

LOWAG has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of LOWAG’s “Access Persons.” LOWAG’s securities transaction policy requires that Access Person of LOWAG must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Furthermore, Access Persons must provide the Chief Compliance Officer with a quarterly transaction report, detail all trades in the Access Person’s account during the previous quarter; and on an annual basis, each Access Person must provide the Chief Compliance Officer with a written report of the Access Person’s current securities holdings. However, at any time that LOWAG has only one Access Person, he or she shall not be required to submit any securities report described above.

- B. The Firm and/or representatives of the Firm *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where LOWAG and/or representatives of LOWAG are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11C, LOWAG has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of LOWAG’s Access Persons.

## **Item 12      Brokerage Practices**

- A. In the event that the client requests that LOWAG recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct LOWAG to use a specific broker-dealer/custodian), LOWAG generally recommends that investment management accounts be maintained at *Interactive Brokers and/or Charles Schwab & Co., Inc. Advisor Services* Prior to engaging LOWAG to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with LOWAG setting forth the terms and conditions under which LOWAG shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that LOWAG considers in recommending *Interactive Brokers and/or*

*Charles Schwab & Co., Inc. Advisor Services* (or any other broker-dealer/custodian to clients) include historical relationship with LOWAG, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by LOWAG's clients shall comply with LOWAG's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where LOWAG determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although LOWAG will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, LOWAG's investment management fee. LOWAG's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, LOWAG may receive from *Interactive Brokers and/or Charles Schwab & Co., Inc. Advisor Services* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist LOWAG to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by LOWAG may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by LOWAG in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist LOWAG in managing and administering client accounts. Others do not directly provide such assistance, but rather assist LOWAG to manage and further develop its business enterprise.

LOWAG's clients do not pay more for investment transactions effected and/or assets maintained at *Interactive Brokers and/or Charles Schwab & Co., Inc. Advisor Services* as a result of this arrangement. There is no corresponding commitment made by LOWAG to *Charles Schwab & Co., Inc. Advisor Services*

or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Firm's Chief Compliance Officer, Jonathan Solo remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Firm does not receive referrals from broker-dealers.
3. The Firm does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and LOWAG will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by LOWAG. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs LOWAG to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through LOWAG. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**The Firm's Chief Compliance Officer, Jonathan Solo, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that LOWAG provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless LOWAG decides to purchase or sell the same securities for several clients at approximately the same time. LOWAG may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among LOWAG's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. LOWAG

shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom LOWAG provides investment supervisory services, account reviews are conducted on an ongoing basis by LOWAG's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise LOWAG of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with LOWAG on an annual basis.
- B. The Firm *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. LOWAG may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, LOWAG may receive an economic benefit from *Charles Schwab*. LOWAG, without cost (and/or at a discount), may receive support services and/or products from *Charles Schwab* and/or *Interactive Brokers*.

The Firm's clients do not pay more for investment transactions effected and/or assets maintained at *Charles Schwab* and/or *Interactive Brokers* as a result of this arrangement. There is no corresponding commitment made by LOWAG to *Charles Schwab* and/or *Interactive Brokers* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Charles Schwab & Co., Inc. Advisor Services provides LOWAG with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise



generally available only to institutional investors or would require a significantly higher minimum initial investment. For LOWAG client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to LOWAG other products and services that benefit LOWAG but may not benefit its clients' accounts. These benefits may include national, regional or LOWAG specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of LOWAG by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist LOWAG in managing and administering clients' accounts. These include software and other technology (and related technological training) 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, if applicable), provide research, pricing information and other market data, facilitate payment of LOWAG's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of LOWAG's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to LOWAG other services intended to help LOWAG manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to LOWAG by independent third parties. Charles Schwab & Co., Inc. Advisor Services 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 LOWAG. LOWAG is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

**The Firm's Chief Compliance Officer, Jonathan Solo remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

If a client is introduced to LOWAG by either an unaffiliated or an affiliated solicitor, LOWAG *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, and any

corresponding state securities law requirements. Any such referral fee shall be paid solely from LOWAG's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to LOWAG by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of LOWAG's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between LOWAG and the solicitor, including the compensation to be received by the solicitor from LOWAG.

## **Item 15      Custody**

The Firm shall have the ability to have its advisory fee for each client debited by the custodian. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. LOWAG may also provide a written periodic report summarizing account activity and performance.

Certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from LOWAG to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

**Please Note:** To the extent that LOWAG provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by LOWAG with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of LOWAG's advisory fee calculation.

## **Item 16      Investment Discretion**

The client can determine to engage LOWAG to provide investment advisory services on a discretionary basis. Prior to LOWAG assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming LOWAG as the client's attorney and agent in fact, granting LOWAG full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage LOWAG on a discretionary basis may, at any time, impose restrictions, **in writing**, on LOWAG's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the

ability to purchase securities with an inverse relationship to the market, limit or proscribe LOWAG's use of margin, etc.).

**Item 17          Voting Client Securities**

- A. The Firm does not vote client proxies. Clients maintain exclusive responsibility for: directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact LOWAG to discuss any questions they may have with a particular solicitation.

**Item 18          Financial Information**

- A. The Firm does not solicit fees of more than \$1200, per client, six months or more in advance.
- B. The Firm is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Firm has not been the subject of a bankruptcy petition.