



Investment Policy Statement

PURPOSE

The purpose of this plan is to provide a clear understanding of the investment objectives and guidelines known as the Investment Policy Statement for White Oak clients.

INVESTMENT OBJECTIVES

The primary investment objective is growth of capital. The secondary objective is to preserve capital. Current income may be a third objective.

INVESTMENT GUIDELINES

In an attempt to accomplish these investment objectives we practice to balance risk and potential reward. White Oak Financial Management, Inc. will generally invest in assets (equities, fixed income, commodities, currencies and cash) that have a significantly positive risk-reward relationship. There will be times in which a market is depressed and reflects low risk and there are times in which a market is extended and reflects high risk. White Oak Financial Management, Inc. will strive to mitigate risk and seek positive returns by participating more in the markets during favorable conditions in which the markets are supporting higher prices and by avoiding those markets during unfavorable conditions when prices are trending lower.

White Oak Financial Management, Inc. will utilize fundamental analysis, technical analysis, principles of diversification, tactical asset allocation, relative strength, and the basic law of economics--supply and demand-- to make investment decisions for our Client accounts.

RISK TOLERANCE

We help our Clients to recognize that markets move in cycles, and that in seeking to achieve a client's stated financial goals, we believe it is important to try to manage the risk at all times. We strive to navigate safely through these cycles in an attempt to successfully achieve the Client's stated investment objectives.

RISK ASSESSMENT AND LIMITING LOSS

We use short-term and long-term market indicators to measure the risk level in the markets. When these indicators indicate high risk, we may utilize a more defensive posture by using close "stops" on positions, profit taking, selling laggards, raising cash, or using inverse market investment

strategies. When these indicators indicate low risk, we may utilize a more offensive posture by reducing cash positions, creating "long" positions, removing inverse positions, and liberalizing "stops".

THE 5 STEP PROCESS

White Oak Financial Management, Inc. uses a Five Step Investment Process.

The First Step in the Investment Process is to assess the risk level in the markets by examining supply-demand relationships to determine whether the accounts should be in the wealth accumulation mode (bullish condition) or wealth preservation mode (bearish condition).

The Second step includes evaluating industry sectors using the same supply-demand fundamentals. If after assessing the market risk level, that level suggests an offensive posture, we try to own sectors in which demand is in control and to avoid sectors in which supply is in control.

The Third step utilizes traditional Fundamental Analysis to help determine "what" to buy in favorable sectors. This research helps determine the financial health of a company and how the market values the stock.

The Fourth step includes determining "when" to buy based on the supply-demand fundamentals of the market and sectors, and then based on short to intermediate term indicators, Relative Strength, and the risk-reward tradeoff for the particular investment.

The Fifth and last step involves ongoing risk management. The account will be regularly reviewed and monitored to ensure that the risk parameters stay within the aforementioned guidelines. If the risk factors gravitate outside of the investment guidelines, the account will be rebalanced accordingly to meet a prudent tactical allocation.

DUTIES AND RESPONSIBILITIES

White Oak Financial Management, Inc. chooses to operate in account management with full discretion. This means that we may choose what and when to buy and sell in each client account. Our responsibilities are that we adhere to the duties listed below.

Prudently diversify the portfolios using our investment policy guidelines.

Avoid prohibited transactions and conflicts of interest.

Exercise with care, skill, and due diligence under the prevailing market and economic circumstances.

CONTROL PROCEDURES

Regular communication with our clients will be by phone, email, traditional mail, and client review appointments. We like to meet with our clients at least every six months to review account performance and any material changes to client personal and financial situations.