

*Item 1 – Cover Page*



OXBOW ADVISORS, LLC

Form ADV Part 2A

800 North Shoreline Blvd., Suite 2200 South

Corpus Christi, TX 78401

361-692-1296

March 31, 2019

This Brochure provides information about the qualifications and business practices of Oxbow Advisors, LLC (“Oxbow,” “Firm,” “us,” “we,” or “our”). When we use the words “you,” “your,” and “client” we are referring to you as our client or our prospective client. If you have any questions about the contents of this Brochure, please contact Kim Mathis-Doumis, CCO, at 512-386-1088. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Oxbow is registered as an investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by the Firm, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain Oxbow as your adviser.

Additional information about the Firm is also available on our website at [www.oxbowadvisors.com](http://www.oxbowadvisors.com), and on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with, registered, and required to be registered, as investment adviser representatives of Oxbow (“Supervised Persons”).

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*Item 2 – Material Changes*

There have not been any “material changes” made to this Brochure since its last annual update on March 31, 2018.

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#### ***Item 4 – Advisory Business***

Oxbow’s principal owner and founder is James Theodore “Ted” Oakley. No other person has in excess of a 4.9% interest in the Firm. All personnel of the Firm are expected to have education and business backgrounds that enable them to perform their respective responsibilities effectively. In assigning responsibilities, we consider academic background (including studies in college and graduate schools, as well as degrees earned), industry training, licenses and certifications. Work experience in a related field, such as investments, commodities, insurance, banking or accounting, is also considered. No formal, specific standards have been set, but appropriate education and experience are required. See the Form ADV, Part 2B Brochure Supplement for additional information.

#### ***Investment Products***

Oxbow offers advice on the following as well as the foreign equivalents of the following investment products:

- Equity securities (exchange-listed, over the counter, foreign issuers)
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of deposits
- Municipal securities
- Mutual funds and exchange-traded funds
- United States government and government-agency securities
- Option contracts on securities
- Interests in partnerships investing in real estate, oil and gas placements
- Limited partnership interests

Oxbow offers the following advisory services:

- Financial planning services
- Portfolio management services for individuals and/or small businesses
- Portfolio management for businesses or institutional clients (other than registered investment companies and other pooled investment vehicles)
- Pension consulting services
- Selection of other advisers
- Corporate Retirement Planning
- Individual Consultation
- Publication of Periodicals
- Educational seminars/workshops

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## ***Assets Under Management***

As of December 31, 2018, the Firm had \$1,414,727,631 in client assets under management, all managed on a discretionary basis.

## ***Overview***

The Firm offers advisory services by providing investment advice and portfolio management services on a continuing basis, including the strategic allocation of managed assets among cash, stocks, and bonds with the selection of specific securities designed to provide proper diversification and help meet the client's stated investment objectives. In effecting such services, we may advise directly and/or invest clients' funds through other investment advisors and/or third-party money managers. Discretionary clients may impose reasonable restrictions on the Firm's authority to invest the client's assets in certain types of investments.

## ***Private Counsel Services***

The Firm may utilize unaffiliated money managers or investment advisors as part of the client's overall investment strategy. Through this arrangement, the client may enter into an advisory agreement with the third-party money manager/advisor authorizing them to invest those assets according to the stated investment strategy. In consideration for such, the third-party money manager/advisor will receive an investment advisory fee separate from the Firm's advisory fee.

As part of this service, the Firm will perform third-party money manager/advisor due diligence, which includes research, recommendations, monitoring, and quarterly consolidated performance reporting.

## ***Financial Planning***

The Firm provides financial planning services, which include retirement planning and analysis, investment management, and education planning, and other specialty services. Under a full-management (discretionary) agreement, the Firm is granted authority to execute transactions on the client's behalf in accordance with the client's asset allocation guidelines.

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## ***Corporate Retirement Planning***

The Firm provides one or more of the following services for corporate retirement plans:

(1) create an Investment Policy Statement to document the plan goals, investment selection process, ongoing monitoring, and employee communication; (2) select investment options based on appropriate due diligence, not revenue sharing with a third party; (3) design a plan consistent with the plan's objective of implementing appropriate investment strategies (asset allocation); (4) offer guidance on company stock as a plan option; (5) act as the prudent advisor to the plan committee; (6) assist the plan sponsor with avoiding conflicts of interest; and (7) review plan expenses.

The Firm also provides advisory and consulting services to businesses for corporate retirement plans. The Firm acts as a third-party independent advisor over existing relationships with current plan providers, or may recommend the replacement of existing providers. The Firm does not act as the plan sponsor or administrator, but can identify firms that offer such services.

## ***Individual Consultation***

The Firm will consult with individuals or institutional clients on a single-project basis to advise them regarding general economic and investment matters or specific investment programs. Fees for such services are on an hourly basis, currently at a rate of no more than \$500 per hour plus expenses.

## ***Additional Branch Offices***

1777 N.E. Loop 410, Suite 600  
San Antonio, TX 78217  
Phone: 210-290-8252  
Fax: 855-678-3817

500 West 5<sup>th</sup> Street, Suite 1205  
Austin, TX 78701  
Phone: 512-386-1088  
Fax: 512-505-8145

1455 West Loop South, Suite 640  
Houston, TX 77027  
Phone: 713-961-0462  
Fax: 713-961-5613

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5120 S. Padre Island Drive  
Corpus Christi, Texas 78411  
Phone: 361-653-5217  
Fax: 866-741-5287

711 N. Carancahua  
Corpus Christi, Texas 78401  
Phone: 361-653-5312  
Fax: 866-743-4178

***Item 5 – Fees and Compensation***

***Type of Compensation***

Based on the investment services provided, the Firm is compensated by the following means:

- A percentage of assets under management
- Fixed fees (other than subscription fees)
- Hourly Charges

***Fees and Compensation***

We offer services on a menu basis. Our fees are negotiable at the discretion of our advisory representatives. In making a final decision on the fee negotiated, a number of factors are taken into consideration, including other related or affiliated accounts, the securities held in the investment portfolio, investment objectives, the total assets under management on an aggregate basis, and other factors that are deemed at the time to be relevant. These factors may result in lower fees being charged for accounts similar in makeup and objectives. Although fees may be individually negotiated, our standard fee schedule is provided below:

<b>Fee Schedule</b>																		
<b>*See also Fee Payment Options, page 6</b>																		
<b>Fee Type</b>	<b>Fee Cost</b>	<b>When Charged</b>																
<b>Advisory Fees</b>	<p>Computed as a percentage of the closing end value of the assets under management in the account for the previous quarter including any margin debt in the account. Calculated by multiplying the value of the assets under management by the appropriate annual fee rate set forth in the fee schedule below and dividing such product by four.</p> <p><b><u>Equity</u></b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">\$1,000,000-\$5,000,000</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>\$5,000,001-\$15,000,000</td> <td style="text-align: right;">0.75%</td> </tr> <tr> <td>Over \$15,000,000</td> <td style="text-align: right;">0.50%</td> </tr> </table> <p><b><u>Income (High Income Strategy)</u></b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">\$1,000,000-\$5,000,000</td> <td style="text-align: right;">0.75%</td> </tr> <tr> <td>\$5,000,001- \$15,000,000</td> <td style="text-align: right;">0.65%</td> </tr> <tr> <td>Over \$15,000,000</td> <td style="text-align: right;">0.50%</td> </tr> </table> <p><b><u>Fixed Income (Conservative Strategy)</u></b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">\$1,000,000-\$15,000,000</td> <td style="text-align: right;">0.25%</td> </tr> <tr> <td>Over \$15,000,000</td> <td style="text-align: right;">0.15%</td> </tr> </table> <p>Advisory Fees are negotiable</p>	\$1,000,000-\$5,000,000	1.00%	\$5,000,001-\$15,000,000	0.75%	Over \$15,000,000	0.50%	\$1,000,000-\$5,000,000	0.75%	\$5,000,001- \$15,000,000	0.65%	Over \$15,000,000	0.50%	\$1,000,000-\$15,000,000	0.25%	Over \$15,000,000	0.15%	Quarterly, in arrears
\$1,000,000-\$5,000,000	1.00%																	
\$5,000,001-\$15,000,000	0.75%																	
Over \$15,000,000	0.50%																	
\$1,000,000-\$5,000,000	0.75%																	
\$5,000,001- \$15,000,000	0.65%																	
Over \$15,000,000	0.50%																	
\$1,000,000-\$15,000,000	0.25%																	
Over \$15,000,000	0.15%																	
<b>Corporate Retirement Planning</b>	Payment for services are either paid by: an hourly rate, an agreed flat fee, or a fee based on the value of assets in the retirement plan. The terms of payment usually depend on the scope of services provided.	As agreed																
<b>Individual Consultation</b>	Fees for such services are on an hourly basis, currently at a rate of no more than \$500 per hour plus expenses.	Hourly, as incurred																

***Wrap Program Fees***

The Firm also participates in certain wrap fee programs sponsored by brokerage firms through which the firms offer the Firm’s discretionary investment-management services (and those of other investment advisors) to the brokerage firms’ clients. When a client selects the Firm, the client enters into an investment-advisory agreement with the brokerage firm, and the brokerage firm maintains a master, separate sub-adviser agreement with the Firm. The client pays a single “wrap fee” to the brokerage firm based on the net value of the assets under management. The agreement can be terminated at the written request of the Firm, the client, or the brokerage firm. Upon termination, the Firm will refund all pre-paid, unearned fees to the brokerage firm

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for those wrap programs that pay one quarter in advance. Please review the materials provided by the wrap fee sponsor for information with respect to a wrap fee program.

### ***Sub-Adviser Fees***

The Firm offers a sub-advised model strategy to its clients. For each client portfolio advised by Oxbow using the sub-adviser's model strategy, Oxbow will pay a portion of the management fee that it receives from the client's portfolio to the sub-adviser.

### ***Investment Company Fees***

Investment companies (mutual funds, exchange-traded funds, private funds, etc.), including those recommended by Oxbow, charge their own management fees and other operating expenses, as described in the investment company's offering documents. These fees and expenses are in addition to any management fees charged by Oxbow.

### ***Fee Payment Options***

As indicated in our advisory agreement, clients may select one of two payment methods:

#### ***Direct debiting (preferred)***

At the end of each calendar quarter, we will notify your custodian of the amount of the fee due and payable to us through our fee schedule and contract. The custodian does not validate or check our fee or its calculation on the assets on which the fee is based. The custodian will deduct the fee from your account or, if you have more than one account, from the one you have designated to pay our advisory fees. At least quarterly, you will receive a statement directly from your custodian showing all transactions, positions and credits/debits into or from your account; the statements after the quarter end will reflect these transactions, including the advisory fee paid by you to us.

#### ***Pay-by-check or wire transfer***

At the end of each quarter, we issue you an invoice for our services and you pay us by check or wire transfer within 15 days of the date of the invoice.

### ***Valuation***

The valuation of securities and other instruments is generally determined by their last reported sale price on the principal market in which they are traded, if traded on a market for which transaction prices are publicly reported. Otherwise, other readily marketable securities and instruments are valued by using a pricing service or by other equitable means consistent with the fiduciary duty of the money manager to determine a fair market value.

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## ***Affiliated Broker & Insurance Sales Charges and Commissions***

Oxbow is affiliated with Herndon Plant Oakley Ltd. (“HPO”), which is a broker-dealer registered with the Texas State Securities Board and various state jurisdictions and is a member firm of the Financial Industry Regulatory Authority (“FINRA”). Certain clients have directed Oxbow to execute all brokerage transactions through HPO. Normal course transactions executed through HPO will generally be charged a trade execution and settlement charge of up to \$15.00 per trade for equity and up to \$15.00 for fixed income trades for all sizes (referred to herein as “execution and settlement charges”).

HPO is also a licensed insurance broker and agency. Certain Oxbow Supervised Persons are registered representatives of HPO and/or insurance agents and, in this capacity, are permitted to receive fees and commissions in connection with the execution of client transactions and/or the sale of insurance products. Oxbow Supervised Persons who are registered representatives of HPO also receive distribution fees and 12b-1 fees from mutual funds in which client assets are invested. When purchasing mutual funds Oxbow seeks out the share class with no 12b-1 fee, or the lowest 12b-1 fee available. In the event the client holds a fund with a higher 12b-1 fee Oxbow will adjust the management fee to offset the higher 12b-1 fee. To the extent that the client directs Oxbow to retain mutual fund shares, including higher cost share classes, Oxbow will follow the client’s instructions and the client understands that additional costs will be incurred by the client. These fees and commissions are in excess of Oxbow’s advisory fees charged to the client. Receipt of these fees and commissions may create a conflict of interest by giving the Oxbow Supervised Person an incentive to recommend investment or insurance products based on compensation received by the Supervised Person, rather than on the client’s needs. Oxbow seeks to address this conflict of interest by disclosing to clients the receipt of fees and compensation by certain Supervised Person in connection with the execution of client transactions and sale of insurance products. Clients have the option to purchase investment and insurance products recommended by Oxbow through other brokers or agents that are not affiliated with Oxbow or HPO.

## ***Transaction Costs***

Our advisory fees are exclusive of brokerage commissions, transaction fees, execution and settlement charges and other related costs and expenses that will be incurred by the client.

Clients will be required to pay any fees charged by the client’s custodians, brokers, third-party investment managers, and other third parties, any deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and any other fees and taxes on brokerage accounts and securities transactions. See *Item 12 – Brokerage Practices* and *Item 10 – Other Financial Industry Activities and Affiliations* for additional information about compensation received by us and for a description of factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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## ***Termination***

Typically, Oxbow's management contract with clients permits either Oxbow or the client to terminate the advisory agreement upon 10 days' written notice (or more) to the other party, depending on the terms of the client's management contract. Since Oxbow's fees are paid in arrears, no pro-ration of previously paid fees will occur upon termination of the agreement. A final fee will be charged, which will be prorated according to the number of days for which we provided our investment advisory services during the quarter in which the termination became effective.

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

The Firm does not charge performance fees.

## ***Item 7 – Types of Clients***

### ***Overview***

The clients of our Firm and its affiliates, who entrust us with their assets, share the similar investment objectives of achieving consistent investment returns with minimal portfolio risk. We offer portfolio management investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- High net worth families
- Pension and profit sharing plans (other than participants)
- Charitable organizations
- Trusts
- Estates
- Private foundations
- Corporations
- Retirement plans
- Employee Benefit Plans

### ***ERISA Clients***

With regard to retirement plans that are subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), the Firm generally assumes the role of a fiduciary with respect to such ERISA plans. The responsible Plan Fiduciary for ERISA plans will be provided with an ERISA Fee and Services Disclosure pursuant to Section 408(b)(2) of ERISA, prior to the ERISA Plan engaging the Firm for advisory services.

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

Investing in securities involves risk of loss that clients should be prepared to bear. At Oxbow, our goal is to protect clients' purchasing power over time, and often an allocation in equities is vital to the achievement of this objective. Our approach to investing in stocks is quite simple – we invest in what we believe are undervalued companies without consideration of size, location, or industry. There are three analytical processes that we employ simultaneously and continuously in order to identify the stocks we want our client portfolios to own, as well as the percentage of cash and/or defensive positions we believe are warranted.

First, the members of our investment committee review a variety of data in order to identify how attractive the equity market is when compared to other asset classes. Economic data and trends, current and anticipated interest rates, and technical research are considered during this process.

Second, our analysts work to identify stocks that appear to be undervalued relative to their competitors and/or that appear to represent a good value on an absolute basis.

Third, we seek to find attractive equity investment opportunities through the identification of sectors or industry groups that we believe are mispriced due to recent headlines or changes in investor sentiment or that we believe will benefit fundamentally from changing economic trends. The purchase of a stock for a client's portfolio is just a part of the overall process, as meticulous analysis is also applied to positions held by client portfolios.

Markets, the economy and company fundamentals are constantly changing and evolving, and we are always open to making strategic adjustments when prudent. However, we typically maintain certain portfolio guidelines to ensure proper diversification.

Our economic and market research, security analysis, and investment allocation recommendations are based on:

- Proprietary Security Research
- Technical Market Analysis
- External Security Research
- Economic Data and Forecasts

The investment tactics the Firm typically uses to implement investment advice given to clients include:

- Long-term Purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Short sales

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- Margin transactions, if preauthorized by client
  - Option writing, including covered options, uncovered options or spreads
  - Investing client assets in initial public offerings

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## ***Analysis Methods***

Security analysis methods utilized by the Firm include:

### ***Charting***

Charting analysis seeks to identify resistance and support reference prices for decisions to buy (price hits the support) or sell (price hits the resistance). Through charting, the analysis seeks to identify price patterns and market trends in financial markets. Charting may apply to long-term investing or be used as a market-timing strategy, depending on the time-frame of the price charts.

### ***Fundamental***

Fundamental analysis maintains that markets may misprice a security in the short run, but that the "correct" price will eventually be reached by the market. The fundamental analysis of a business involves analyzing businesses: financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

### ***Technical***

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

### ***Cyclical***

Cyclical analysis generally targets cyclical stocks for the purchase of equity securities when the ratio of price-to-earnings (P/E Ratio) is low, and sell them when the P/E Ratio is high (*i.e.*, when earnings are peaking). The P/E Ratio is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share.

The main sources of information that the Firm uses to analyze these investment strategies are:

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, and other filings with the SEC
- Company press releases

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## ***Investment Strategies***

We provide investment management services to our clients predominantly through the asset allocation strategies described below:

### ***Conservative Fixed Income Strategy***

The primary objectives of this strategy are capital preservation and reliable income. It is characterized by high quality and defined maturities. The strategy is designed to produce consistent absolute returns with limited volatility. We achieve this by investing in certificates of deposit and high-grade municipal, government, and corporate bonds. Our strict credit process is based on in-depth fundamental credit research. Securities are continuously analyzed to ensure that they continue to meet our high quality criteria. We closely monitor current and anticipated interest rates in order to make prudent adjustments to limit the interest-rate risk inherent in securities with fixed payments and duration. From time to time, our strategy will maintain a high level of liquidity. This allows us to capitalize when security prices dislocate from our estimate of intrinsic value.

### ***High Income Strategy***

This strategy seeks to combine the consistent cash flow typically associated with fixed income investments and the potential for capital appreciation often thought of as an equity investment characteristic. Investing in a diversified portfolio of high grade and high yield (*i.e.*, “junk”) corporate bonds, municipal bonds, master limited partnerships, convertible bonds, closed-end funds, exchange traded funds, preferred stocks, high yield common stocks and other income producing securities, our primary objective is to produce a relatively high level of annual income yield. We seek to identify items that are trading at a discount relative to their cash flow yield or that have been temporarily mispriced due to recent financial media headlines, sudden changes in interest rates or investor sentiment, and/or various economic and market developments. Identifying and investing in these undervalued income securities and securities that are correlated to the equity market is also intended to achieve the strategy’s secondary objective, which is to create capital growth.

### ***Income Opportunities Strategy***

The Income Opportunities portfolio places more emphasis on generating income than capital growth when compared with the Equity strategies below. Investment instruments may include: high dividend stocks, closed-end funds, convertibles, preferred stocks, REITS (real estate investment trusts), and high-yield bonds.

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### ***Dividend Growth Strategy***

The Dividend Growth investment strategy is a portfolio of high dividend stocks, which delivers three positive characteristics to investors: 1) ownership of high quality companies, 2) below average volatility, and 3) reasonable valuations compared to speculative growth stocks. Dividend Growth seeks companies with above average dividend yields that are capable of increasing those dividends by at least 7% per year. The core of the portfolio is comprised of companies with reasonable financial leverage to be able to withstand adverse economic environments. Current and prospective investments are evaluated on a five-year time horizon to assess sustainability of the companies' competitive advantages and growth potential. Dividend Growth can keep a portion of its assets in cash when attractive investment opportunities are lacking.

### ***Long-Term Growth Strategy***

The Long-Term Growth strategy invests in companies possessing several desired attributes: 1) a high quality business, demonstrated by consistent growth in cash flow and the competitive advantages it has over its peers, 2) a competent CEO, 3) clear areas where that CEO can reinvest cash flow to drive future growth, 4) reasonable financial leverage, and 5) a share price that is significantly below fair value. Companies and their industries are evaluated on a five-year time horizon. Long-Term Growth focuses on large companies, which tend to exhibit less volatility than smaller capitalization stocks in poor economic climates. Long-Term Growth can keep a portion of its assets in cash when attractive investment opportunities are lacking.

### ***Multi-Cap Equity Strategy***

The Multi-Cap strategy invests in companies possessing several desirable attributes: 1) a high quality business, demonstrated by consistent growth in cash flow and the competitive advantages it has over its peers, 2) a competent CEO, 3) clear areas where that CEO can reinvest cash flow to drive future growth, 4) reasonable financial leverage, and 5) a share price that is significantly below fair value. Companies and their industries are evaluated on a five-year time horizon. Multi-Cap seeks the highest return investments across all company sizes. Because the portfolio includes smaller companies, it is likely to be more volatile than a large cap-only portfolio during cyclical changes in the economy. Multi-Cap can keep a portion of its assets in cash when attractive investment opportunities are lacking.

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### ***Sub-Advised Model Portfolio Strategy***

SIM Global Tactical is a joint effort between Oxbow and Sloan Investment Management to build a global portfolio that allows investors to invest in global markets while maintaining an acute focus on risk management. The strategy is an active portfolio that makes use of cash as well as active rotation through various markets and asset classes to maintain what we believe is the best available market exposure for the risk being taken.

### ***Investment Strategy Risks***

#### ***General Risks***

##### ***Market Risk***

The value of a client's portfolio will fluctuate as a result of the movement of the overall market or of the value of the individual securities held by the portfolio, and could lose money.

##### ***Management Risk***

The Firm's judgment about the attractiveness, growth prospects and value of a particular asset, class of assets or individual security may prove to be incorrect. There is no guarantee that the securities or investment strategies recommended or used by the Firm to manage client accounts will perform as anticipated.

##### ***Lack of Diversification***

Portfolio investments may be concentrated and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

##### ***Liquidity***

Client portfolios will not generally be invested in illiquid securities and or private investments without client direction. However, to the extent the client directs that portfolio investments be made in investments that are not liquid and or securities become less liquid during the holding period, you will not be able to access your investment.

##### ***Cash and Cash Equivalents***

Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the client's portfolio, including cash and cash equivalents. Furthermore, client portfolios may forego investment opportunities to hold cash positions if we consider it in the best interests of the portfolio.

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### ***Leverage***

We may use leverage in managing a client's account if preauthorized by the client. Such leverage may be obtained through various means. The use of short-term margin borrowings and leverage will increase a portfolio's exposure to the risks described in this section, and may result in certain additional risks to client portfolios. For example, should the securities pledged to a broker to secure a margin account decline in value, a "margin call" may be issued pursuant to which additional assets would be required to be deposited with the broker or the broker would effect a mandatory liquidation of the pledged securities to compensate for the decline in value. We might not be able to liquidate assets quickly enough to pay off the margin debt and client portfolios may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings. In addition, if our judgment about the performance of certain investments proves incorrect while an account's exposure to the underperforming investments is increased through the use of leverage, a relatively small market movement could lead to significant losses to the account.

### ***Interest Rate Fluctuation***

The prices of certain securities in which client portfolios may invest—especially fixed-income securities—are sensitive to interest rate fluctuations. Unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions that were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

### ***Long-Term Purchases (securities held at least a year)***

#### ***Liquidity***

The portfolio may be invested in liquid securities and/or illiquid securities. You should be aware that liquid securities may become less liquid during the holding period.

### ***Short-Term Purchases (securities sold within a year)***

#### ***Trading Program Risks***

The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

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## ***Trading (securities sold within 30 days)***

### ***Trading Program Risks***

The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program can decline, including due to other market participants developing similar programs or techniques.

### ***Trading is Speculative***

There are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

### ***Turnover***

Our trading activities may be made on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses, and may result in higher taxes for taxable accounts.

### ***Option writing, including covered options, hedging, uncovered options or spreading strategies***

#### ***Options and Other Derivatives***

Client portfolios may purchase or sell options, warrants, equity-related swaps or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the hedged portfolios correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether a portfolio realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.

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### *Hedging Risks*

We may employ various “risk-reduction” techniques in client portfolios that are designed to minimize the risk of loss in the portfolio. Nonetheless, substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective in limiting losses. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the value of such positions decline, but utilize other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Such hedge transactions also limit the opportunity for gain if the value of a portfolio position should increase. It may not be possible for us to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the decline in value of the portfolio position anticipated as a result of such a fluctuation. The success of the hedging transactions will be subject to the ability to correctly predict market fluctuations and movements. Therefore, while we may enter into such transactions to seek to reduce risks, unanticipated market movements and fluctuations may result in a poorer overall performance for the portfolios than if we had not engaged in any such hedging transactions. Finally, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary.

### *Uncovered Calls or Spreading Strategies*

There are special risks associated with uncovered option writing that may expose clients to significant losses. Therefore, this type of strategy may not be suitable for all clients approved for options transactions.

The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying instrument increases above the exercise price.

As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.

Uncovered option writing is suitable only for the knowledgeable client who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer’s options position, the client may be subject to a request for significant additional margin payments. If a client does not make such margin payments, the client’s stock or options positions may be closed with little or no prior notice in accordance with the investor’s margin agreement.

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For combination writing, where the client writes both a put and a call on the same underlying instrument, the potential risk of losses is substantial and unlimited.

If a secondary market in options in which an investor holds positions were to become unavailable, investors could not engage in closing transactions, thus an option writer would remain obligated until expiration or assignment in that option and the option writer's potential risk of losses would be substantial and unlimited.

### ***Item 9 – Disciplinary Information***

To the best of our knowledge, neither the Firm nor any of its management persons have been subject to any legal or disciplinary events that would be material to a client's (or prospective client's) evaluation of the Firm's advisory business or the integrity of its management.

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

#### ***Brokerage and Investment Advisory Activities***

##### ***Brokerage***

Oxbow is affiliated with Herndon Plant Oakley Ltd. ("HPO"), which is a broker-dealer registered with the Texas State Securities Board and various other state jurisdictions and is a FINRA member firm. HPO is also registered with the Texas State Securities Board as a registered investment adviser, and notice filed with various jurisdictions in such capacity. HPO typically receives compensation in the connection with client transactions executed through HPO.

Certain Oxbow Supervised Persons are registered representatives of HPO and, in this capacity, are permitted to receive fees and commissions in connection with the execution of client transactions. Please see *Item 5 – Fees and Compensation* for additional information.

##### ***Insurance Activities***

HPO is licensed as an insurance broker and agency and provides analysis of and recommends the purchase and sale of certain insurance products. This licensing is in addition to HPO's registration as a registered investment adviser and broker dealer. HPO generally receives compensation in connection with such sales. Oxbow clients are not obligated to use HPO as their insurance broker or agent or to use any recommended insurance company for any recommended insurance transaction. Certain Oxbow Supervised Persons are also licensed insurance brokers, and as such, do on occasion sell insurance products to Oxbow clients and receive fees and commissions in connection with these sales. Please see *Item 5 – Fees and Compensation* for additional information.

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### ***Bank Networking Arrangement***

We have an arrangement with American Bank, N.A., a national bank association, in which we are engaged in the business of providing investment advisory services on-site at certain bank locations.

### ***Principals' Activities***

James Theodore Oakley, Oxbow's founder, managing member, and principal owner, is a Limited Partner of HPO. He manages the investment advisory activities of the Firm and is a registered representative of HPO. In such capacity, Mr. Oakley generally oversees trades on behalf of Oxbow clients who custody at Wells Fargo Clearing Services, LLC (also known as First Clearing, LLC (First Clearing)) through HPO and is entitled to receive brokerage commissions for trades executed through HPO.

### ***Item 11 – Code of Ethics***

#### ***General***

We have adopted a Code of Ethics for all of our Supervised Persons describing our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures, among other things. All Supervised Persons must acknowledge the terms of the Code of Ethics annually and/or as amended. The Code of Ethics also requires Supervised Persons to report certain securities transactions executed for their own accounts. A written copy of our Code of Ethics is available, free of charge, upon request by contacting Oxbow's CCO, Kim Mathis-Doumis at 512-386-1088.

#### ***Personal Trading***

From time to time the Firm's employees and advisory personnel ("Firm personnel") may purchase, sell, or hold securities for their own accounts that are also held, purchased or sold for the accounts of Firm clients. This may present a conflict of interest by creating opportunities for Firm personnel to take advantage of a client by, for example, trading ahead of a substantial pending client trade. To help address these conflicts, the Firm requires its personnel to preclear personal trades with the Firm's trading desks to ensure that there are no planned or pending client trades in the same investment. The CCO also reviews reports of personal trading by Firm personnel to help ensure that Firm personnel are not taking advantage of client transactions.

### ***Item 12 – Brokerage Practices***

#### ***Research and Other Soft Dollar Benefits***

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Soft dollar arrangements are a common practice in the Investment Advisory industry. The U.S. Congress created a “safe harbor” under Section 28(e) of the Securities and Exchange Act of 1934, which establishes strict standards by which soft dollar arrangements are allowed. Under this safe harbor, an advisor can consider the provision of research, as well as execution services, in evaluating the cost of brokerage services without violating its fiduciary responsibilities. The Firm follows the safe harbor available under Section 28(e) in arranging and executing its soft dollar arrangements.

It is the policy of the Firm to disclose its use of soft dollars to clients. Clients should understand that brokerage commissions generated by their account may be directed to various firms in exchange for services and that such brokerage should be viewed as a client property. The Firm receives reduced fees from Charles Schwab on products and services offered by Schwab. Disclosure is made in the Firm’s Form ADV, this brochure, its client contracts, and in reports to and conversations with clients.

When an item has a mixed research and non-research use, then we will make an allocation between hard dollars and soft dollars to pay for the item.

A Best Execution Committee, which comprises the traders, selected portfolio managers, and the Chief Compliance Officer, performs reviews on a quarterly rotation for brokers to evaluate their execution performance, efficiency, and commission rates, and other factors.

### ***Custodians and Brokers Used***

Oxbow works with three types of custodians:

#### ***Discretionary Custodian***

A custodian that allows its accounts to trade through a large network of broker-dealers. This relationship allows the Firm the most flexibility in placing trades. Most often, the trades are combined for these discretionary custodians into one block, using average pricing for all clients in the block.

#### ***Semi-Directed Custodians***

A custodian that allows its accounts to trade with other broker-dealers but charges a trade-away fee if the transactions are not completed internally; in most cases, clients approve a prime brokerage arrangement with the custodian to participate in such trade-aways. In most equity trades, the Firm uses the custodian’s broker-dealer functions. If the Firm determines that the transactions should be traded away, these trades may be aggregated with the accounts held at the Discretionary Custodian.

#### ***Directed Custodians***

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Some clients may direct Oxbow to direct all trades for the client's portfolio through a specific custodian/broker. In such cases, the Firm has no discretion in selecting a different broker-dealer to execute transactions. Execution of such directed trades will occur once discretionary and semi-directed custodians' orders have been filled. It is important to note that when a client directs Oxbow to use a specific custodian or broker for all transactions, Oxbow is limited in its ability to negotiate best price and best execution for that client's trades. Directed brokerage clients may therefore pay significantly more in transaction costs than clients for whom Oxbow is able to negotiate best price and execution.

### ***How We Select Brokers/Custodians That We Recommend***

We seek to recommend and/or use a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for your account);
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions;
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- Reputation, financial strength and stability of the provider;
- Their prior service to us and our other clients; and
- Availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Oxbow from Schwab," below)

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## ***General Brokerage Practices***

### ***General Brokerage Practices***

Some of our clients choose to use registered broker-dealers such as Charles Schwab & Co., Inc. (Schwab), TD Ameritrade, or Wells Fargo Clearing Services, LLC. Custodians will hold client assets in a brokerage account and buy and sell securities when we instruct them to. Clients will open their account with custodian by entering into an account agreement directly with them. We do not open the account for clients, although we may assist clients in doing so. Even though clients' accounts are maintained at custodians, we may still use other brokers to execute trades for clients' accounts.

### ***Charles Schwab & Co., Inc.***

Our clients may use Schwab, a SEC, FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we may recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account.

### **Our Interest in Schwab's Services:**

Schwab provides certain services to Oxbow, in addition to the execution of client orders. The availability of these services from Schwab benefits Oxbow because we do not have to produce or purchase them. We do not have to pay for Schwab's services so long as our clients collectively maintain a certain dollar value of total assets in accounts at Schwab. Oxbow clients, collectively, currently maintain well more than this specified dollar value of assets at Schwab.

For accounts of Oxbow's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from the Firm's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, the Firm may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Oxbow, nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for the Firm's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

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We receive economic and investment research from various organizations. This information is a significant source of research we utilize in making our investment decisions. Although much of our research about investments is done in-house, we often supplement our work with that of other proven sources of information. These ideas can lead to meaningful profits in client portfolios; therefore, we want to be sure these sources are appropriately rewarded.

To compensate for this valuable research, on occasion, we have the option to direct trades for client portfolio(s) to institutions that directly or indirectly provide this information. These trades result in higher transaction fees than those paid only through your custodian.

#### Products and Services Available to Oxbow from Schwab:

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like Oxbow. They provide us and our clients with access to their institutional brokerage— trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a certain dollar value of total assets in accounts at Schwab.

#### Your Brokerage and Custody Costs:

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer.

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### Services That Benefit the Client:

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### Services That May Not Directly Benefit the Client:

Schwab also makes available to the Firm other products and services that benefit us but may not directly benefit you or your account. These products and services assist the Firm in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### Services That Generally Benefit Only Oxbow:

Schwab also offers other services intended to help the Firm manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefit providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

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Oxbow's receipt of these services creates a conflict of interest because Oxbow has an incentive to recommend that clients custody their assets with Schwab based on Oxbow's interest in continuing to receive Schwab's services described above rather than based on the interests of clients receiving the best value in custody services and the most favorable execution of transactions.

### ***TD Ameritrade***

TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC, FINRA-registered broker-dealer that offers services to independently registered investment advisors services, including custody of securities, trade execution, and clearance and settlement of transactions.

The Firm may recommend TD Ameritrade to clients for custody and brokerage services.

Oxbow and TD Ameritrade are independent of one another and have neither an agency nor employment relationship.

### ***Wells Fargo Clearing Services, LLC/First Clearing***

Effective November 11, 2016, First Clearing LLC and Wells Fargo Advisors combined and were renamed as Wells Fargo Clearing Services, LLC ("WFCS").

"First Clearing" and "Wells Fargo Advisors" continue to conduct business under their existing brands. Those brands will remain business trade names of WFCS, and may be used in statements and other publications provided to you.

WFCS is a member of FINRA and SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company. HPO can be used to execute portfolio transactions for client accounts custodied at WFCS.

### ***Affiliated Broker-Dealer***

Herndon Plant Oakley Ltd. (HPO) is an affiliated broker-dealer that can be used to execute portfolio transactions for investment advisory clients who custody at WFCS (also known as First Clearing) through HPO. These transactions will be conducted subject to proper, and customary, disclosure including but not limited to compensation received by HPO and any Oxbow Supervised Persons. Compensation is received by HPO, as a broker-dealer, when portfolio transactions are effected on behalf of our investment advisory clients by either us or your third-party money manager. Therefore, HPO and certain Oxbow Supervised Persons may receive compensation as a result of acting in one or both capacities. Additionally, Supervised Persons

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may receive a portion of the advisory fee and any ticket charge charged by HPO (to the extent they are also registered with HPO).

### ***Mutual Funds Fees***

To the extent that mutual funds are purchased for Oxbow client accounts, HPO and certain Oxbow Supervised Persons who are representatives of HPO receive distributions and Rule 12b-1 fees from the issuers of such mutual funds, which are in addition to Oxbow's advisory fees. (see Item 5. Affiliated Broker & Insurance Sales Charges and Commissions) You are advised that, in addition to the annual advisory fee set forth in this brochure, mutual funds and exchange-traded funds incur their own, separate management fees and other expenses.

### ***Cash and Money Market Funds***

If a client directs Oxbow to use HPO as broker-dealer, Oxbow's selection of money market mutual funds, or comparable investments in which to hold cash reserves in the client's account, is limited to certain investments. The selection includes money-market, municipal money-market, and government money-market funds, and the issuers of funds pay HPO a distribution fee in our capacity as a broker-dealer. This compensation is in addition to other fees, etc. received from client accounts.

Additionally, cash balances arising from the sales of securities, redemption of debt securities, dividend and interest payments, and funds received from clients, are invested automatically on a daily basis. When securities are sold, funds are deposited on the first business day after settlement date. Funds placed in a client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the client's account. Due to the foregoing practices, HPO may obtain federal funds prior to the date that deposits are credited to client accounts and thus may realize some economic benefit because of the delay in investing these funds. Where an unaffiliated broker-dealer or other entity acts as custodian of the client's account assets, we have no control over the manner in which the cash reserves will be handled. The client and/or custodian will make that determination. This compensation is historically minimal in relation to all other compensation earned by Oxbow.

### ***Margin Loans***

To the extent you utilize WFCS (also known as First Clearing) for margin loan financing, HPO will receive interest sharing compensation related to such margin loans.

### ***Affiliated Insurance Agency Activities***

HPO is also licensed as an insurance agency in the State of Texas. Additionally, some Oxbow Supervised Persons are licensed insurance agents through HPO in the State of Texas, and have contracts and or appointments with various insurance companies. If a client purchases an

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insurance product through a Supervised Person, the Supervised Person and HPO will typically be paid a commission by the insurance company that issues the policy. This creates a conflict of interest as there is an incentive for them to recommend insurance products based on the compensation received, rather than on your needs. Notwithstanding such conflict of interest, the Firm addresses its fiduciary duty by utilizing insurance products only where it is determined to be in the best interest of clients, and after consultation with the client.

### ***Affiliated Broker-Dealer Activities***

Certain clients have directed Oxbow to use HPO, through WFCS (also known as First Clearing), as the sole broker-dealer for the execution of client account transactions. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by HPO and its registered representatives, some of whom are Oxbow Supervised Persons. A Supervised Person may receive commissions when transactions are effected for your account.

It is important to note that when a client directs Oxbow to use HPO (or another specific broker-dealer), Oxbow is limited in its ability to negotiate best price and best execution for that client's trades. Directed brokerage clients may therefore pay significantly more in transaction costs than clients for whom Oxbow is able to negotiate best price and execution.

### ***General Brokerage Practices Through HPO***

HPO maintains an arrangement with WFCS (also known as First Clearing) whereby HPO clears securities transactions on a fully disclosed basis through WFCS as an introducing broker. In the capacity as a broker-dealer, HPO is used to execute portfolio transactions for the Firm's investment advisory clients that custody at WFCS, through HPO. These transactions will be conducted subject to proper, and customary disclosure, including (but not limited to) compensation received by the Firm and/or its registered representatives. Compensation will be received by HPO, as a broker-dealer, and/or its registered representatives (some of whom are Oxbow Supervised Persons) when portfolio transactions are effected on behalf of Oxbow's investment advisory clients. Compensation is received by HPO, as a broker-dealer, and/or its registered representatives (some of whom are Oxbow Supervised Persons) when portfolio transactions are effected on behalf of investment advisory clients and therefore, HPO will receive compensation.

Because HPO is under common control with Oxbow, Oxbow faces a conflict of interest in recommending that clients direct it to execute trades through HPO.

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### ***Aggregating Trades***

Transactions to be executed through the same broker or custodian are typically executed on an aggregated basis when possible.

Trades will typically be blocked for accounts serviced by the same custodian; however, the Firm is unable to combine (block) transactions for accounts with different custodians unless traded away. Average pricing is typically provided on a custodian-by-custodian basis rather than an average price across all clients.

### ***Trade Errors***

It is the Firm's policy to correct any trading errors caused by the Firm in an expeditious manner. As a general rule, when the Firm causes a trading error, the Firm seeks to place the client's account in the same position as it would have been had there been no error. The Firm does not retain any gains from trade errors.

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

#### ***Review of Accounts***

Oxbow offers managed account programs to its customers. These managed accounts are monitored on a systematic basis, and each account is reviewed at least annually by their respective portfolio managers. Notwithstanding the above, more active accounts and larger accounts may be reviewed more frequently. With respect to account performance, the Firm reviews each account on at least an annual basis, and compares each investment on a transaction basis to insure that each transaction is:

- suitable to the respective client's investment objectives;
- meets that client's quality standards; and
- still pertinent to their investment objectives and still pertinent to the managed account arrangement.

#### ***Reports***

The nature and frequency of reports to clients are determined primarily by the particular needs of each client. Generally, clients are issued quarterly reports by the Firm detailing their individual assets, unless the client requests a more frequent basis. The client receives an annual performance report for each calendar year, summarizing all portfolio activity for the year. The client also receives account statements at least quarterly from the custodian detailing all activity in the client's managed account.

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

### ***Client Referrals***

There may be occasions when we pay a percentage of the fee we receive from client accounts that have been referred to us to the person making the referral (a “solicitor”). In such cases, you will receive a separate written disclosure statement from the solicitor before you open your account with us that will explain, among other things, the nature of our affiliation with the solicitor (if any) and a description of the compensation the solicitor will receive from us.

### ***Wrap Fee Programs***

The Firm may participate in certain wrap fee programs sponsored by brokerage firms through which the broker-dealer firms offer Oxbow’s discretionary investment-management services (and those of other investment advisors) to the brokerage firm’s clients. If Oxbow is chosen as manager the brokerage firm pays Oxbow’s management fees on behalf of the wrap fee program client, executes the client’s portfolio transactions without commission charges, and monitors Oxbow’s performance. These wrap fee program clients typically pay a single “wrap fee” to the brokerage firm based on the net value of the assets under management. The brokerage firm typically compensates Oxbow by paying it a portion of this fee.

## ***Item 15 – Custody***

Oxbow does not maintain physical custody of client assets. Rather, all client cash and securities advised by the Firm are held by the client’s qualified custodian. However, under relevant regulations, Oxbow is deemed to have “custody” of client assets held by a client’s qualified custodian in certain circumstances, including:

- where Oxbow is permitted to deduct its advisory fee directly from the client’s account held by the qualified custodian;
- where a Firm affiliate, such as HPO, acts as the client’s custodian; and
- where Oxbow has the ability or authority to transfer funds or securities out of the client’s account held at a qualified custodian.

A client’s qualified custodian will provide the client with account statements at least quarterly. Clients are encouraged to carefully review these statements and to compare them to any statements provided by Oxbow.

## ***Item 16 – Investment Discretion***

Clients typically grant Oxbow discretionary authority to determine, without obtaining specific client consent, the securities to be bought or sold for the client’s account(s). This discretionary authority is set forth in the client’s written advisory agreement with Oxbow. If required by the

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client's qualified custodian, Oxbow may also require the client to execute a limited power of attorney granting Oxbow authority over their accounts for trading purposes. Clients may place limitations on Oxbow's discretionary authority, which would be included in the client's written advisory agreement or other written agreement with Oxbow.

### *Item 17 – Voting Client Securities*

With the exception of certain client accounts that are part of wrap fee programs sponsored by third-parties, or as required for ERISA plan clients, the Firm does not have the authority to vote proxies on behalf of client accounts. Rather, clients retain the authority for voting all proxies related to securities held in their accounts. A client's custodian or the security's transfer agent is responsible for providing all proxy notices and proxy-related materials directly to the client.

Oxbow has the authority and responsibility to vote proxies on behalf of its existing wrap fee program client accounts and certain ERISA plan clients to which it provides discretionary management services, which includes certain retirement plan accounts. For these accounts, consistent with Oxbow's commitment to clients, the Firm has adopted written policies and procedures that require it to evaluate and vote proxies in the best interests of its clients. The Firm has determined that it is in the best interests of each client to cast proxy votes in a manner designed to maximize the economic value of the client's holdings, taking into account the client's (i) investment goals and objectives, (ii) investment horizon, and (iii) all other relevant circumstances at the time of the vote. The Firm's policies and procedures also address proxy voting responsibilities, material conflicts of interest (if any), record keeping and disclosure requirements.

In accordance with its proxy voting policies, Oxbow will generally vote proxies in accordance with the following guidelines: (i) for management proposals on routine matters, Oxbow will typically vote in accordance with the issuer's management, unless we believe that such recommendation is not in the best interests of the client; (ii) for non-routine matters proposed by management, Oxbow will typically vote on a case-by-case basis, in each case voting in a manner that we believe is in the best interest of the client; and (iii) for shareholder proposals, Oxbow will typically vote in accordance with the issuer's management, unless we believe that such recommendation is not in the best interests of the client.

Wrap fee clients may direct that their proxies be voted in a specific manner by providing a written request to their wrap fee program sponsor. If timely received and to the extent practicable, Oxbow will vote a client's proxies in accordance with the client's written request, even if the vote would be inconsistent with Oxbow's proxy voting policies or the votes we cast on behalf of other clients.

Due to the nature of Oxbow's business and its ownership, we believe that it is unlikely that conflicts of interest will arise in voting client proxies. However, Oxbow's policies and procedures require Oxbow to monitor proxy votes for any actual or perceived conflicts of

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interests. Any conflict of interest identified by the Firm with respect to a proxy vote will be addressed by contacting the applicable client and voting the proxies in accordance with the client's directives.

Clients can obtain information about how Oxbow voted proxies with respect to their account, or request a copy of Oxbow's proxy voting policies and procedures, by contacting Oxbow at the address or phone number included on the cover of this Brochure.

### ***Item 18 – Financial Information***

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm's financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### ***Item 19 – Other Information***

#### ***Privacy Policy Summary***

We do not disclose nonpublic personal information about our individual clients or former clients except as permitted by law. We restrict access to nonpublic personal information about you (that we may obtain from your account and your transactions) to those employees who need to know that information to provide products or services to you or to alert you to new, enhanced, or improved products or services we provide. We maintain physical, electronic, and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information.

#### ***Business Continuity Plan***

We have developed a Business Continuity Plan (the "Plan") to address how the Firm will respond to events that may disrupt its business.

This Plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption. The Plan covers data back-up and recovery, mission critical systems, financial and operational assessments, alternative communications, alternate business locations, bank and counter-party impact, regulatory reporting, and the assurance of prompt access to funds and securities for our customers.