Second Quarter Letter June 30, 2020

"Hoping for the best, prepared for the worst and unsurprised by anything in between."
- Maya Angelou

"We will not run out of money."
- Federal Reserve Chairman, Jay Powell, 4/20/2020

As mentioned in our first quarter letter, Live Oak Private Wealth is privileged to welcome Frank Jolley and Jolley Asset Management into the family. Frank and his team have an impeccable reputation and outstanding long-term investment results. Frank and Bill will now be sharing the Chief Investment Officer role as well as the content for these quarterly letters.

One of the many reasons we merged our teams was the almost perfect alignment of investment philosophy between the two firms. Both of our firms are steeped in a conservative, capital preservation mindset. Yet strategy-wise, we have unique styles of portfolio construction, with Frank utilizing a traditional value investment style consistent with the classic value principles developed by Graham and Dodd in 1934. This value strategy (which can now be offered to all Live Oak Private Wealth clients) emphasizes a company's financial strengths, first and foremost, and then seeks to invest in businesses trading at discounts to earnings, sales, and/or book values. Jolley's legacy value strategy dates back to 1999 and has produced consistent, solid investment returns. What we will be attempting to do in these letters going forward is to share our collective thoughts around the investment climate and try to inform and educate you. Frank will contribute content specific to his style and portfolio and Bill will do the same for our growth and international portfolios. We welcome your comments and are grateful to have you as clients and privileged to share our thoughts with you.

Second Quarter Market Review

U.S. stocks just finished their best quarter since the fourth quarter of 1998, with the S&P 500 and Dow Jones Industrial Average returning 20.5% and 18.5%, respectively. It was a remarkable rally after the coronavirus pandemic brought businesses around the world to a virtual standstill. This was quite a contrast to the first quarter when major indexes lost approximately 35% in less than six weeks' time. The rebound this quarter was driven by massive stimulus by the Fed and the CARES Act, which has an estimated cost of $2 trillion. U. S. stocks beat all other asset classes in the second quarter, including gold (+9.5%), corporate bonds (+9.3%), cash (flat), and long-term government bonds (-0.5%). All eleven sectors were up in the quarter, led by discretionary (+33%), technology (+31%), energy (+31%), and materials (+26%). On a year-to-date basis, only technology (+15%) and discretionary (+7%) were in positive territory. The worst performing sectors year to date are energy (-35%) and financials (-24%). For the year, the Russell 1000 Growth Index has trounced the Russell 1000 Value Index by 26%, which represents the widest annual spread in the Russell Index history (1979). The market rally slowed towards the end of the quarter as there has been a resurgence in coronavirus cases in parts of the U. S. and the civil unrest sparked by the killing of George Floyd. The economic picture remains bleak, with approximately 20 million jobs lost since February. Looking ahead, a Democratic sweep of the White House and Congress looms as a potential risk as a Democratic-controlled government would roll back tax cuts that were enacted in 2017, which would pressure profit margins. Goldman Sachs has estimated that the Biden tax plan would cut corporate earnings by 12%.

The market's massive move off the bottom of March 23 has confounded most observers and probably many of you. This mystery of the markets puzzles many due to a perceived disconnect between dismal economic statistics, tens of millions unemployed and many afraid to even leave their homes, and a stock market almost back to where it was before the virus.

The notion that stock market returns and economic data are closely linked seems intuitive, but in reality:

- Stocks are driven by earnings, not real growth in the economy or employment. Some companies can grow earnings even in very troubling times, and their stocks rise.

- The economy many link the stock market to does not always relate to the United States. Globalization has made it possible for companies to prosper in other geographical areas not affected by a crisis or a bad economy.

- Stock markets are discounting mechanisms or prediction machines in the short term, and typically there will be a six to nine month lag between markets and the economy.

With that said, many (including us) have been very surprised at the way the market roared back. Even Warren Buffett, who has always preached to "be greedy when others are fearful and fearful when others are greedy," didn't do much buying during March. Psychologists have documented that most people can't tolerate losing and feel pain from a loss twice that of the pleasure of a gain. Therefore, most can't tolerate the pain of stocks declining and sell and cut their losses.

One of the longest-running adages on Wall Street is, "You can't fight the Fed." Since March 23, investors have placed a great deal of confidence in the ability of the Federal Reserve and Treasury to engineer a recovery from this virus. The Fed has stepped up in a big way the purchases of bonds, which puts money in the hands of sellers and that money has to be reinvested. The reinvestment process, in turn, drives up the prices of bonds further (and indirectly stocks) while driving down interest rates and expected returns. The lower interest rates go, the lower the discount rate used to calculate a company's future equity value. This can argue for higher stock valuations. Lower bond yields also offer less competition to stocks. What would you rather have for ten years, UPS stock with a 3.6% dividend or a UPS bond for 1.34%?

But now what? Have we come too far too fast? Have the massive inflows of Fed-driven liquidity acted as steroids for the market? By most measures, the market is quite expensive and momentum is driving things at the moment. Market participants are quite optimistic all of a sudden and may not appreciate the potential negatives that could loom ahead with the reopening of the economy, consumer confidence and the election risks.

Our concern is that volatility will only increase from here. Volatility trading on Wall Street, which we have discussed here too many times to mention, has grown so big that trading on expected market moves can itself move markets. In these letters, you have read our concerns about the market "structure," which refers to the sheer amount of money traded by computers (machines) without rational human involvement. Today's economic uncertainty means volatility trading, and therefore volatility itself is likely to stay elevated.

An investor we admire in Charleston, S.C., recently referred to what we experienced in March as analogous to a hurricane. He asked if we are in the eye now, or if the storm has passed completely? Shouldn't we prepare maybe for the backside of the hurricane, which could be worse than the front? Now that we have recovered most of the losses from March, isn't it time to analyze where you stand? Isn't it time to revisit your specific goals and objectives for your money and re-check your positioning? If what we went through in March was too concerning for you, this is now the perfect time to reassess your risk tolerance. A little time spent now with one of our experienced certified financial planners might go a long way in helping you suppress the emotional side of investing.

Portfolio(s) Discussion and Commentary

Market Statistics
as of 6/30/2020

Index	2020 2nd Quarter	2020 YTD 6 months
DJIA	18.50%	-8.40%
S&P 500	20.50%	-3.10%
S&P 500 (equal weight)	21.90%	-11.80%
S&P Mid Cap	24.10%	-12.80%
Russell 1000/Growth	27.80%	9.80%
Russell 1000/Value	14.30%	-16.30%
Russell 2000	25.40%	-13.00%
NASDAQ Comp.	30.60%	12.10%

With the wonderful addition of Jolley Asset Management to Live Oak Private Wealth, our enhanced investment team now manages two distinct investment styles or strategies (Value and Growth at a Reasonable Price [GARP]) in addition to our international strategy. All are principally grounded in a conservative mindset with capital preservation and growth and income as objectives. Below we will break out separate commentary from Frank and Bill related to the markets and other varying portfolios.

Live Oak Private Wealth Classic Value Strategy Commentary and Thoughts (Frank Jolley):

"The four most dangerous words in investing: This time it's different."

Sir John Templeton

Is The S&P 500 Just a Mega-Cap Index?

While the second-quarter rally brought the S&P 500 Index within striking distance of where it began the year, the average stock has fared much worse. As of mid-year, 24 of the 30 Dow Jones components are down on the year and only six have generated positive returns.

The average stock in the Dow Jones Index is down approximately 10% for the year. As of June 30, the S&P 500 was down 3.1%, while the S&P 500 equal-weighted index was down 11.8%. As of July 3, 2020, the median stock in the S&P 500 was down 11%. Keep in mind, both indexes are comprised of the same 500 companies, however the S&P 500 Index is market-capitalization weighted, while the equal weight version holds equal amounts of all 500 companies. In a nutshell, the bigger, more expensive companies are performing better than the smaller, less expensive counterparts. According to a report from Bianco Research dated July 13, 2020, the S&P 500 Index is the most concentrated it has been in the last fifty years. The top five names in the index (Microsoft, Apple, Amazon, Alphabet, and Facebook) currently comprise just under 25% of the S&P 500 Index, and the top twenty names comprise over 38% of the entire index. As Carter Worth of Cornerstone Macro recently stated (July 8, 2020, on CNBC), "There is no S&P Index anymore. It's just a few names." To put things into perspective, the top 3 stocks by market cap represent 16.6% of the S&P 500 Index, which is a greater weighting than the bottom 300 names in the index. Along those same lines, the top 5 names in the index currently have a higher weighting than the bottom 350 names in the index, and the top 15 names have a market cap equal to the bottom 420 names.

S&P 500 Median Results

7/3/2020

Company Size	P/E	P/S	P/B	YTD Returns
Top 10	31.4	6.3	6.3	9.6%
Top 50	28.7	4.6	5.5	2.4%
51-100	26	3.8	5.3	(5.7%)
101-150	22.9	3.9	4.1	(1.9%)
151-200	26.4	3.0	4.1	(6.7%)
201-250	24.4	2.6	3.2	(9.3%)
251-300	23.2	2.6	3.3	(5.5%)
301-350	23.9	2.8	2.5	(8.5%)
351-400	22.1	1.8	3.0	(17.6%)
401-450	13.3	1.4	1.9	(22.6%)
451-505	13.9	0.8	1.2	(38.5%)
S&P 500	22.8	2.4	3	(11.0%)

The chart above probably does the best job of explaining the S&P 500 returns for the first half of 2020. The biggest companies by market capitalization are the most expensive based on valuation metrics such as P/E (price/earnings ratio), P/S (price/sales ratio), and P/B (price/book value ratio). The biggest companies have also produced the highest market returns, despite those higher valuations. The move higher in technology issues, while the rest of the world moves lower, seems unsustainable given current valuations. James Mackintosh, of the Wall Street Journal, on April 20, 2020, stated that “Stocks listed on the NASDAQ are worth as much as the MSCI World ex-USA Index, a benchmark that includes 1007 large and mid-cap stocks from developed markets outside the United States with a median market capitalization of $5.8 billion.“

Investment or Speculation?

In the typical economic recession, market participants traditionally attempt to hunker down, reducing portfolio risk and playing defense. During a market drawdown, such as was experienced in the first quarter of 2020, it is not unusual for investors to panic and/or capitulate. Even seasoned market professionals typically reposition portfolios to reduce risk to ensure that losses don’t become unmanageable. While certainly some investors panicked out, what has taken place since then is nothing short of amazing. As individuals were told to “stay at home” and that the government would help with a $1,200 stimulus check and enhanced unemployment benefits, it appears that quite a few became bored and a chunk of the money found its way into the equity markets.

Many inexperienced investors sensed a “generational buying opportunity,” evidenced by 1.2 million new account openings at Fidelity and Robinhood and trading volumes up by three-fold when compared with 2019. Ironically, this was going on when one might expect mutual fund liquidations and people exiting from the markets. Millennial investors (who some call speculators) have been attracted by a trading app that makes buying and selling stocks simple and free. The average Robinhood trader is thirty-one and trades forty times as many shares per dollar than the average Schwab customer. As pointed out by Nathaniel Popper in a New York Times article dated July 8, 2020, Robinhood encourages more trading as it gets paid by selling the order flow to various Wall Street trading firms like Citadel Holdings. With interest rates at zero and 80% of the S&P 500 index paying higher dividend yields than the ten-year treasury bond, perhaps investing is a wise move for people seeking some type of return on their money? It turns out that most Robinhood accounts are invested in speculative securities rather than dividend-paying securities.

While there is nothing wrong with speculation under appropriate conditions, we do not think it should be confused with long-term investment strategies. In the Intelligent Investor (published 1949), Benjamin Graham stated, "An investment operation is one which upon thorough analysis, promises safety of principal and an adequate return. Operations not meeting these requirements are speculative." Could the speculative trading on Robinhood be a form of entertainment/gambling? After all, the June 2020 unemployment rate is 13.3% (Bureau of Labor Statistics says true rate is over 16%). That, coupled with the fact that half of the workforce is now working from home, might help explain this newfound love for trading on the Robinhood platform. Some top stocks include companies such as Nikola, Workhorse Group, Ideanomics, Top Ships, Tesla and Hertz. Nikola's (electric truck manufacturer) market cap recently exceeded that of Ford Motor Company even though they have yet to sell a truck. Hertz, which rallied some 883% after filing for bankruptcy, is another Robinhood most traded issue. In English folklore, Robinhood was an outlaw who took from the rich and gave to the poor. When looking at how they are selling their order flow, it appears that Robinhood takes from the millennial and gives to the high-frequency trader. While we are not here to judge Robinhood traders and/or the Robinhood platform, we are merely pointing out that this is not the typical behavior one sees when the economy is mired in recession. The current period is eerily similar to the 1999-2000 period when day-trading was all the rage and valuations were deemed irrelevant.

Steadfast Course of Action

While writing this section of this letter, we took some time to review the quarterly letters we sent to clients in 1999 and early 2000. While history doesn't always repeat itself, it often rhymes. The similarities of the two periods include not only the day-trading mentioned above, but includes many other parallels such as: 1) divergent returns between S&P 500 index and S&P 500 equal weight index, 2) top heavy S&P 500 index with largest names (mainly technology names) driving the index, 3) the tech heavy NASDAQ generating outsized returns, while average stock was in a bear market, 4) media infatuation with technology highflyers, 5) some of the highest market returns coming from unprofitable companies, 6) 1999 analysis focused on "eyeballs" while 2020 market focuses on TAM (total addressable market) and, 7) investment legends such as Warren Buffett, Grantham etc. deemed to be washed up and done. Below is an excerpt of our Investment Outlook from January of 2000 and in our judgment continues to be relevant today:

> *Jolley Asset Management is a disciplined value investor. We believe that in the long-term stock prices are ultimately driven by the earnings and cash flow of a business, and the risk in that enterprise is largely related to the sustainability of those cash flows. The company's competitive position is extremely important, and we prefer to buy companies where we believe the business franchise offers us a "margin of safety." While we pay attention to relative risk, we are more concerned with absolute risk when we purchase a security. We are just as focused on the balance sheet and downside as we are the potential for capital gains. We also believe that dividends are an important component of total returns. The bifurcation of today's markets creates wonderful buying opportunities to the contrarian value manager, such as Jolley Asset Management. We believe we are at a critical inflection point, where an investor must be willing to swim against the tide, even if it means foregoing short-term performance. It is our belief that great long-term investment records are made by making tough decisions, which many times may mean going against the herd mentality. Buying what is popular has never worked on Wall Street. That is precisely why Jolley Asset Management was formed, to provide a vehicle whereby our focus and discipline could be preserved. We firmly believe our clients will be rewarded handsomely.*

As we have communicated with you over the past few months, our excitement over our combination with Live Oak Private Wealth is largely based upon the similarities in our investment philosophies and the quality and integrity of the people. After our first full quarter as part of the Live Oak Private Wealth team, I can honestly say I feel even stronger that this combination will prove to be extremely positive for our clients. Thanks again for the confidence you have placed in our firm.

Ten Largest Positions
Live Oak Private Wealth Classic Value Strategy
6/30/2020

Sony Corp	United Parcel Service, Inc.
Intel Corp	Cisco Systems, Inc.
Qualcomm, Inc.	ServiceMaster Global Hldgs, Inc.
Dominion Energy	CVS Health Corp
Alphabet Inc., CI A	Merck & Co., Inc.

During the second quarter of 2020, we initiated a position in Charles Schwab (SCHW). This is a company that we are extremely familiar with, as they serve as our primary custodian for client assets. Schwab recently announced that is acquiring TD Ameritrade, which should add scale and cost synergies. Schwab shares have recently been under pressure (34% off 52-week high) due to the fact that earnings will be depressed by the zero-interest rate environment. We also initiated a position in Unilever during the past quarter. Unilever (UL), is headquartered in the Netherlands and is a global consumer goods company. Unilever has a 3.2% dividend yield and trades at a large discount to Procter & Gamble on a valuation basis. During the quarter we exited our position in Loews, a conglomerate which operates in the hotel, property and casualty insurance and energy industry. All these sectors face major headwinds due to COVID-19.

Performance Attribution
Live Oak Private Wealth Classic Value Strategy
6/30/2020**

Top Five Performers		Bottom Five Performers	
Apple	+51%	Berkshire Hathaway B	+1%
ServiceMaster Global Hldgs	+40%	Pfizer, Inc	+3%
Applied Materials	+40%	Verizon Comm	+4%
Qualcomm, Inc	+38%	Merck & Co., Inc	+5%
Investco Ltd	+34%	Coca-Cola	+6%

Live Oak Private Wealth Focused Opportunity Growth Strategy – Commentary and Thoughts
(Bill Coleman):

After the wild market action from the first quarter, we sat idle for the second quarter. We, of course, are constantly engaged in our typical daily research routine; reading research reports and white papers and listening in on numerous conference calls with managements and many educational podcasts. Travel has been limited for now, but we have been engaged in reviewing second-quarter company earnings and management presentations.

Trading activity was much lighter than the first quarter. The only activity was selling two spinoffs we received from the Raytheon/United Technologies merger. Those two spinoffs were Otis Elevator and Carrier Air Conditioning. We debated doing a deep dive into each and contemplated adding significantly to these small positions and making them key players in the portfolio. However, after much consideration, we sold them and opted to focus on more attractive businesses we know better, as well as replenish some of the cash we invested in March.

The incremental investments we made in March have helped our portfolios to a varying degree. While it is not fair to grade them yet, we will attempt to anyway. When the selling started in earnest around March 6, the earlier purchases we made in Disney on March 10 and Markel on March 11 have not really earned us much yet. As the selling intensified into the middle of March, the additional investments made in Mastercard and Berkshire Hathaway have helped more, and the Microsoft addition was fortunately made closer to the bottom. The ultimate outcome of these decisions will not be known for several quarters. Patience and timing are very important in portfolio allocation decisions, and looking back, we feel pretty good about the decisions. Our number one objective was to increase the quality of the portfolio on the weakness. We did that, maybe not at the bottom on March 23, but at reasonable prices that will hopefully generate solid returns in the future.

We have a few positions on our watch/sell list. We will either be trimming the position sizing out of price discipline or selling outright and looking for better risk/reward opportunities.

Ten Largest Positions
Live Oak Private Wealth Focused Opportunity Growth Strategy
6/30/2020

Microsoft	Disney
Berkshire Hathaway	Apple
United Healthcare	Charter Communications
Mastercard	Federal Express
Google Alphabet CIC	Bank of America

Performance Attribution
Live Oak Private Wealth Focused Opportunity Growth Strategy
06/30/2020**

Top Five Performers		Bottom Five Performers	
Carmax	+71%	Wells Fargo	- 4%
Apple	+51%	Comcast	0%
Schlumberger	+46%	Berkshire Hathaway	+1%
Axalta Coatings	+38%	Charles Schwab	+2%
Microsoft	+34%	Verizon	+4%

Live Oak Private Wealth International Strategy - Commentary and Thoughts
(Bill Coleman):

International stocks advanced during the quarter, led by information technology, consumer discretionary, and the communication services sectors. Outperformance in companies we own in Chinese social commerce played a key role in our quarterly performance. JD.com and Tencent Holdings continue to offer positive growth from network effects and consumption growth in China. In the Eurozone, Schneider Electric and Ferguson offset weakness from the aerospace sector's investments in Airbus and Safran. Non-U.S. equity valuations were attractive before the coronavirus outbreak and are now even more so in this bifurcated, mega-cap tech weighted U.S. market. There are many incredibly successful and competitive companies based outside the U.S. Our long-standing position in Nestle, coupled with consumer stalwart Unilever offer "blue chip" characteristics and good relative dividend yields. In Europe, where weak travel and tourism are crucial segments of the economy, there have been bright spots nonetheless with Linde, the industrial gas business and pharmaceutical companies Sanofi and Novartis racing towards vaccines for the virus.

Trading activity for the second quarter was light. We exited Fiat after pending changes from the large merger with Peugeot eliminated the special dividend we expected. Also, our thesis behind our investment in Exor was weighted heavily towards the divestiture of PartnerRe, which was scrapped this quarter due to the coronavirus. Our investment thesis in both of these changed dramatically and our discipline triggered the sales.

Ten Largest Positions
Live Oak Private Wealth International Strategy
6/30/2020

Nestle	Tencent Holdings
Alibaba	Ferguson
New Oriental Education	Linde
Vivendi	Airbus Group
JD.com	Safran

Performance Attribution
Live Oak Private Wealth International Strategy
06/30/2020**

Top Five Performers		Bottom Five Performers	
Siemans AG	+49%	HLS Systems	+4%
JD.com	+47%	Novartis	+8%
Lanxess AG	+44%	Nestle	+9%
Ferguson	+43%	Unilever	+12%
Schneider Electric	+41%	Alibaba	+15%

Final Thoughts:

Notwithstanding the surprising V-shaped snap back in stocks we witnessed this quarter, it is still a challenging time for us as investors. It has been an even more challenging time for teammates, friends and families. Each of us on our team is striving to keep ourselves, our families, and our colleagues as safe as possible. We continue to function at 100% while still choosing to work at times remotely. We are intellectually "all-in" and all hands-on deck, because the essence of what we do is safeguarding client assets and investing them prudently and we remain laser-focused.

Challenging times in markets and with money like we have witnessed, reminds us how fortunate we are to have such a strong group of investors like you. Many of our friends and acquaintances at other firms in our industry were bombarded with calls from panicked investors with finicky capital, while the majority of the calls we received were from clients looking to increase their relationship with us. We are very fortunate to have a group of high-quality clients that understands what we do, has the confidence to let us do it, and the courage to add capital to their accounts when many others are fleeing in fear.

So, as we continue to endure the fits and starts and openings and closings on the back of a lot of recent optimism in the markets, questions and concerns remain present.

- What are the possibilities, timeline, and efficacy for a vaccine for the novel coronavirus?
- Where will the impacts be on the economic recovery if the return to work is slow and many small businesses never reopen, and millions of jobs are permanently lost?
- What are the impacts of potentially permanent change in the world of retail, shopping centers, office buildings, travel, and sports?
- What are the potential election risks to political and financial considerations that would alter the Federal Reserve and/or Treasury efforts to provide stimulus to combat a further slowdown?

The markets have rallied a lot and have gotten very optimistic in our opinion. Possibly, the markets are not looking ahead far enough to gauge the concerns noted above. We believe a majority of the rally has been driven largely by the Federal Reserve's liquidity actions and the Treasury's stimulus payments. This "bridge" has been tremendously important, but we don't know how long the bridge needs to be. Stock prices feel like they are ahead of themselves, especially with the election uncertainty looming. We end the quarter with an eye towards caution and thinking defense versus offense.

We find ourselves again humbled and appreciative by your willingness to compensate us for doing something that we enjoy doing (even in turbulent times) and is so important to us all. Our entire Live Oak Private Wealth team looks forward to our continued shared success in this partnership.

With warmest regards,

Frank G. Jolley

Co-Chief Investment Officer

J. William Coleman, III

Co-Chief Investment Officer

Appendix 1

Live Oak Private Wealth Investment Philosophy

Three Pillars

We consider potential losses before gains. We think about multiple scenarios that could affect us. We ask how much might we lose before we ask how much we might make.

We focus on absolute returns, not relative returns. Our goal is to lose less than the market. We don't manage to a benchmark.

We do not focus on the macroeconomic environment. We focus on truly great businesses we can invest in at a fair price.

Our Beliefs

We believe your lifetime investment results will be mostly governed by two variables: behavior and asset allocation. We consider the three quotes below by two very famous investors daily in our thoughts, research and work.

"To buy when others are despondently selling and to sell when others are avidly buying, requires the greatest fortitude and pays the greatest reward."

John Templeton

"Be fearful when others are greedy and greedy when others are fearful."

"Price is what you pay, value is what you get."

Warren Buffett

Guiding Principals

- A share of stock represents a share in the ownership of a business.
- A stock exchange is nothing more than an auction place that provides a convenient means for exchanging your ownership in a business for cash and vice-versa.
- Our investment approach would be akin to applying a private equity mindset to investing in public markets.
- We limit our search for qualifying investments to good businesses. They have identifiable, sustainable competitive advantages.
- Risk to us is permanently losing capital over a five-year time horizon. Market volatility is not risk to us.
- Our primary return goal is to compound capital at real rates of return (4-5%) in excess of inflation over our five-year time horizon.
- Compounding capital at 7% doubles your assets in 10 years.

Disclosures

1) Past performance is no guarantee of future results and future performance may be higher or lower than the performance shown. The performance results for each equity sleeve are calculated for us by Orion Services and does not reflect investment management fees, custody and other costs or taxes. All of which would be incurred by an investor in any account managed by Live Oak Private Wealth.

2) **The performance attribution charts represent a simple point-to-point price percentage change for the five best and five worst portfolio positions for the second quarter ending June 30, 2020 Each equity sleeve does not and is not intended to indicate past or future performance for any account or investment strategy managed by Live Oak Private Wealth. Additionally, there is no guarantee that all portfolios will own any or all of the companies mentioned.

3) There can be no assurance that our portfolio management or any account managed by our investment managers will achieve a targeted rate of return or volatility or any other specified parameters. There is no guarantee against loss resulting from an investment.

4) Investment objectives, returns, and volatility are used for measurements and/or comparison purposes only and are only a guideline for prospective investors to evaluate our investment strategy and the accompanying risk/reward ratios.

5) Comparison to any index is for illustrative purposes only. Certain information, including index and benchmark information, has been provided by third-party sources, and although believed to be reliable, has not been independently verified and its accuracy cannot be guaranteed.

6) The information contained here is not complete, may change, and is subject to, and is qualified in its entirety by, the more complete disclosures, risk factors, and other important information contained in Part 2A or 2B of Form ADV. This presentation is for informational purposes only and does not constitute an offer to sell or as a solicitation.

7) Live Oak Private Wealth is a subsidiary of Live Oak Bank. Investment advisory services are offered through LOPW, LLC, an Independent Registered Investment Advisor. Registration does not imply a certain level of skill or training.

8) Opinion and thoughts expressed are those of Bill Coleman and Frank Jolley and not Live Oak Bank.

9) Not all portfolios will necessarily own all companies mentioned, due to factors such as legacy positions, capital gain constraints, sector concentration, time, and other considerations.