



**FORM ADV—PART 2**  
January 16, 2018

**Northern Oak Wealth Management, Inc.**  
**555 E. Wells Street, Suite 1625**  
**Milwaukee, WI 53202**  
**Phone: 414-278-0590**  
**Fax: 414-278-1294**  
**[www.northern-oak.com](http://www.northern-oak.com)**

---

**IMPORTANT DISCLOSURES**

---

This brochure provides information about the qualifications and business practices of Northern Oak Wealth Management, Inc. (“NOWM”). If you have any questions about the contents of this brochure, please contact us at 414-278-0590. 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.

Additional information about NOWM, including a copy of its Form ADV Part 1, is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## ITEM 2. MATERIAL CHANGES

---

There have been no material updates to this brochure since the last annual updating amendment, filed in March, 2017.

Item 3. Table of Contents

---

Item 2.	Material Changes .....	i
Item 3.	Table of Contents .....	ii
Item 4.	Advisory Business.....	1
Item 5.	Fees and Compensation .....	6
Item 6.	Performance Based Fees and Side-by-Side Management .....	7
Item 7.	Types of Clients .....	7
Item 8.	Methods of Analysis, Investment Strategies, and Risk of Loss .....	7
Item 9.	Disciplinary Information.....	8
Item 10.	Other Financial Industry Activities and Affiliations .....	8
Item 11.	Code of Ethics, Participation of Interest in Client Transactions and Personal Trading .....	8
Item 12.	Brokerage Practices.....	9
Item 13.	Review of Accounts .....	11
Item 14.	Client Referrals and Other Compensation .....	12
Item 15.	Custody .....	12
Item 16.	Investment Discretion .....	12
Item 17.	Voting Client Securities/Class Action Litigation.....	12
Item 18.	Financial Information.....	13
Form ADV—Part 2B: Brochure Supplement .....		14
Mark R. Zellmer .....		15
David P. Becker, CFA .....		16
David J. Szatkowski, CFA .....		17
Matthew F. Bappert .....		18
Professional Designation Information .....		19
Privacy Policy.....		20

## ITEM 4. ADVISORY BUSINESS

---

### FIRM BACKGROUND

NOWM is an investment advisor registered with the U.S. Securities and Exchange Commission (“SEC”) that provides fee-based investment management and investment advisory services to clients. The firm became registered as an investment advisor and began conducting business in 1976.

NOWM is 100% employee owned. Northern Oak Acquisition, LLC, a Wisconsin Limited Liability Company (wholly owned by Mark R. Zellmer, Chairman of NOWM), owns more than 25% of NOWM. David P. Becker, President of NOWM also owns more than 25% of NOWM. NOWM is not under common control with any other firm. NOWM also does not control any other firm.

NOWM is not engaged in any other business other than providing investment advice. NOWM services are described in detail below.

### MANAGED ASSETS

As of the date of the last annual update to this brochure (March 01, 2017), NOWM has total assets under management of \$784,789,848.47, of which \$782,635,688.25 is managed with discretionary authority and \$2,154,160.22 is managed on a nondiscretionary basis.

### INVESTMENT MANAGEMENT SERVICES

Investment Management Services include portfolio assessment, asset allocation, financial planning and ongoing review and management of the client’s portfolio. To begin services, NOWM reviews the client’s present financial situation to assess the client’s investments and other aspects of the client’s financial circumstances. After a meeting(s) and/or a telephone conference(s), NOWM analyzes the client’s individual needs, goals, investment time horizons, and risk tolerance. NOWM believes that knowing a client’s financial circumstances, to the extent possible, is important to long-term investment success. As such, NOWM provides on-going financial planning software at no expense to our clients.

NOWM utilizes the information provided by the client to develop an Investment Policy Statement (“IPS”), agreed upon and approved by the client, which serves as a guideline to provide investment recommendations and on-going management. It is NOWM’s policy to have all IPS’s fully executed. If, for some reason, the client has not returned a signed IPS to NOWM, NOWM portfolio managers will continue to manage the account per the IPS pursuant to paragraph 3 of the investment advisory agreement. This may include strategies designed to meet long-range goals (e.g., retirement planning or college funding) to an investment plan. NOWM will assist the client in selecting an account custodian of his choice in the event that he does not have a custodial relationship or one which is satisfactory for his current investment needs.

A NOWM portfolio manager will then be responsible for managing the client’s account, using the written discretionary authority granted by the client to make purchases and sales of investments in the amounts and at the times they deem appropriate, within the confines of the IPS and restrictions placed therein by the client. Discretionary service is the managed account relationship most preferred by NOWM and represents the vast majority of the services it provides to clients. NOWM does and will manage client portfolios under certain circumstances, on a nondiscretionary basis. Under this arrangement, prior client approval is necessary for the purchase and sale of investments.

Investments may be made by NOWM in securities of any kind, including, but not limited to, mutual funds, exchange-traded funds, stocks, bonds, options, and other securities. Portfolio reviews are performed regularly at the times determined by the client’s portfolio manager and in conjunction with investment policy established by NOWM. Client consultations about the account’s performance occur as often as the client requests or as deemed necessary by the portfolio manager.

Clients are asked to inform NOWM promptly if there has been any change in the client's financial status or investment objective information. Providing this information allows NOWM to determine if there needs to be a change in investment strategies. Clients may place reasonable restrictions on the types of investments in their account. They may also call NOWM's home office at any time during normal business hours to discuss the status of the client's account, financial situation, or investment needs with their account portfolio manager.

Clients will receive transaction confirmations as they are produced by the account custodian, and a monthly or quarterly account statement from the custodian listing positions and transactions. NOWM will prepare quarterly valuation reports, which may be accompanied by a commentary on the progress the account has made toward achieving the client's objectives or other reports which may be appropriate (e.g., capital gain/loss summary, etc.).

**NOWM will not have custody of client funds or securities, except for fees due it.**

#### UNSUPERVISED ASSETS POLICY

NOWM has a policy with respect to the holding of unsupervised assets of clients in their investment advisory accounts when they so request. Unsupervised assets may include securities and cash/cash equivalents that clients want included in their accounts for reporting purposes but not subject to NOWM management. If unsupervised assets are permitted in a client account, as mentioned above NOWM will have no investment management or other responsibility or authority with respect to the unsupervised assets other than specified below. Unsupervised assets will not be included among the assets in the clients' investment advisory account upon which NOWM's investment advisory fee is calculated. Unsupervised cash will be invested in an exchange traded fund (ETF), BIL (SPDR Bloomberg Barclays 1-3-month T-Bill). This ETF invests in US treasury bills with maturities of 3 months or less with cash like safety and competitive returns at a low cost.

#### RETIREMENT PLAN SERVICES

##### Defined Contribution Plans

Northern Oak can provide the following services to retirement plan accounts:

*ERISA Section 3(21) Plan Investment Advisory Services:* Northern Oak can perform non-discretionary investment advisory services at the retirement plan level as described below.

- Prepare or review the plan's Investment Policy Statement ("IPS"), including an assessment of:
  - the criteria for selecting money managers and due diligence procedures for selecting money managers and investment options;
  - the basis for asset mix and rebalancing limits;
  - performance measurement criteria;
  - procedures to monitor money managers and other investment-related vendors;
  - quarterly performance reports (for composition and relevancy);
  - custodial reports; and
  - termination procedures for money managers.
- Provide advice regarding appropriate investment categories and investment options for the retirement plan consistent with the plan's adopted policy statement.
- Monitor performance of the investment options available within the retirement plant and provide periodic advice regarding possible changes to the investment selections.

*ERISA Section 3(38) Plan Investment Management Services:* Northern Oak can perform discretionary investment management services at the plan level as described below. Note, this service is distinct from the Section 3(21) services described above.

- Prepare, in consultation with the client (or authorized representative), an investment policy statement ("IPS") for the plan that addresses the selection, monitoring, and replacement of the plan's investment options.

The IPS establishes the general investment options and asset class categories to be offered to plan participants with a goal of providing a menu of investments that will allow for the creation of well diversified portfolios designed to provide for long-term appreciation and capital preservation through a mix of equity and fixed income exposures.

- Review the investment options available through the plan and instruct the plan's record keeper to add, remove, or replace specific investment options offered within the retirement plan that meet the criteria set forth in the IPS.

Northern Oak will monitor the investment options and provide reports on a regular basis to the client (or authorized representative) as well as instruct the plan's record keeper to remove or replace investment options no longer meeting the IPS criteria. When removing investment options for ERISA retirement plans, Northern Oak will attempt to select replacement funds with similar risk and return characteristics as the removed funds.

- Northern Oak will retain final decision-making authority with respect to removing or replacing investments in the core lineup, and the client will not have any responsibility to communicate instructions to any third-party, including the plan's record-keeper, custodian or third-party administrator with respect to the removal or replacement of such funds. Northern Oak is not responsible for any notices or other communications to the plan participants that may be required under ERISA, the Internal Revenue Code of 1986, as amended, or other applicable laws, but will notify the client of changes to the plan's investment options to enable client to comply with any applicable participant-level fee disclosure requirements.
- Northern Oak will review the fund options selected by periodically comparing them to appropriate peer group indices, reviewing the capital markets environment; performing fund style analysis, analyzing funds for retention and/or termination, performing fund searches to replace options or to offer additional options, and making such fund changes as it deems necessary or advisable.
- To the extent model portfolios are included in the plan's investment options, Northern Oak shall take discretion to manage, acquire, or dispose of funds in the model portfolios, take discretion to change the portfolio allocations on an asset class or individual fund basis, review the fund options selected in the model portfolios, as well as overall portfolio performance, and periodically compare them to appropriate peer group and blended indices.

*Non-Fiduciary Services:* Northern Oak can perform the non-fiduciary services as described below.

- Meet with representatives of the client (or its investment committee) at mutually acceptable intervals to discuss investment performance.
- Provide a quarterly report detailing, if available, the:
  - performance of each investment selected by client for client's plan; and
  - performance of one or more comparative benchmarks.
- As requested, assist in the process of (i) benchmarking fees and services to aid in evaluating the reasonableness of covered service providers, and (ii) benchmarking portfolio and fund fees to appropriate independent third-party benchmarks.
- As requested, assist with evaluating and implementing best practices in plan design and compliance policies and procedures.
- As requested, perform the following participant education services:
  - introduce employees to plan features, benefits, and costs;

- review principles of successful investment including market history and strategic asset allocation;
- summarize investment options available to participants, and provide general asset allocation guidelines.

The assistance provided by Northern Oak in participant investment education is consistent with and within the scope of the definition of investment education found in Department of Labor Interpretive Bulletin 96-1.

### **Defined Benefit Plan - Cash Balance Plans**

The Cash Balance Pension Plan is a form of a defined benefit plan. In the plan, each participant has an account balance representing his or her benefit under the plan. The account grows annually through two additions, a contribution and an interest credit, and the Accumulation Interest Rate (“AIR”) as defined in the plan. Each year an actuarial study is performed to determine the amount of the contribution required of the plan’s sponsor to meet the plan’s needs and other legal requirements. Shortfalls between the actual rate of return of the plan and the AIR may result in an increase in future required contributions to the plan by the plan sponsor. Alternatively, actual rates of return that exceed the AIR may result in a decrease in future required contributions to the plan by the plan sponsor. The objective of the plan’s investments is to achieve a rate of return approximately equal to the AIR. Northern Oak manages cash balance plans with a specific strategy that is designed to achieve the AIR. The specific calculation of the AIR is defined in the plan. Plan assets will generally be invested in fixed income securities that are readily redeemable, high marketable mutual funds and individual common stocks.

### **Client Objectives.**

In all cases, advice is tailored to the individual objectives and restrictions of each client.

### **WRAP FEE PROGRAM**

It is NOWM’s policy to enter into wrap account arrangements only in situations with respect to clients referred to it by wrap plan sponsors (other registered investment advisors including broker-dealers and bank trust companies) having a pre-existing relationship with the client. Accordingly, NOWM plays no role in the fact that such plan sponsor and the client have entered into a wrap account relationship. As such, no conflict or potential conflict of interest exists when NOWM receives referrals from plan sponsors.

NOWM does not guarantee the result of any recommendation it makes or action it takes. Losses can occur from receiving NOWM services, including advice involving conservative investment strategies.

### **SPECIALIZED INVESTMENT PORTFOLIO PRODUCTS/STRATEGIES**

NOWM offers five broad portfolio strategies which have been designed to cover the broad spectrum of investment objectives desired by most investors. These include growth, growth and income, and fixed income. These objectives can be achieved by the use of one or more of these portfolio strategies within a client’s investment assets. NOWM believes it has the ability to customize these approaches to a wide range of client needs. They are described below:

#### **Income Roadmap™**

The Income Strategy Portfolio Suite is a set of investment strategies that captures income from three different asset classes (sleeves): equities, fixed income and alternative assets. The portfolio suite can be used by an investor to design one’s own Income Roadmap™. This strategy is a customized flow of income specifically designed in accordance with one’s risk tolerance and income objectives using a custom allocation to each of the income sleeves. In addition, each sleeve is tactically

managed by Northern Oak where the weightings to each sleeve are modified based on the market environment.

### **Select Dividend Growth Portfolio**

This is an equity-oriented income product which we believe offers a solid alternative to the fixed income markets. Specifically, we are offering a portfolio which invests primarily in common stocks of large, well-established companies with above-average earnings growth rates and dividend yields, histories of regular dividend increases, and the prospects pointing to a continuation of that policy. In addition, we will use equity-oriented ETFs to provide market coverage in attractive segments of the world economy including sectors where individual stock ownership is difficult (e.g. high-yielding common stocks in emerging markets). We expect that over time, equities and ETFs will represent the majority of assets (90-100%) with any residual being liquid, tactical cash reserves. Depending on individual client needs, this portfolio can be customized to include a fixed income component which may include preferred stocks, ETFs of convertible securities, and selected fixed income securities.

### **Equity Growth Portfolio**

The portfolio follows a core/satellite investment strategy. The core of the portfolio is typically invested in ETFs covering broad sectors of the market such as large cap, mid cap, small cap, and growth and value segments of each broad category depending on market conditions. This portion of the portfolio generally represents 60-80% of the total investable assets. The satellite portion of the portfolio is allocated into areas that provide unique investment opportunities that are made in the belief that they offer growth in excess of what is expected in the general markets. Investments in the satellite may include, for example, areas such as thematic trends like water and infrastructure, sector over-weights such as energy, and stock of individual companies, with total return potential higher than that of the general market.

### **Fixed Income Portfolio**

NOWM provides clients with an actively managed fixed income product that is highly customized for each client depending on their unique circumstances. A primary focus of the portfolio is on yield in a prudent, tax-efficient manner. Given the low interest rates in the traditional fixed income sectors such as corporate bonds, treasuries, and municipal bonds, portfolios need to have access to other higher yielding sectors of the fixed income markets. These may include treasury inflation protected bonds (TIPs), developed and emerging market debt, and preferred stock, for example. The resulting portfolio will reflect a client's overall investment objectives, investment time frame, risk tolerance, and tax considerations.

### **Enhanced Sector Fund**

Northern Oak offers a sector strategy primarily made up of industry-specific and sector-based ETFs. The objective of this strategy is to outperform the S&P 500 Index on a long-term basis. Sector weights in this strategy are based on their relative percentage of the U.S. equity market as represented in the S&P 500 Index. This strategy may not include every sector represented in the S&P 500 Index but it will include no less than five sectors. The primary tool utilized in making tactical decisions in this strategy is the technical chart pattern of individual securities.

While sector weights are based on the S&P 500 Index, the objective of this strategy is to outperform it so certain sectors may be under or over-weighted relative to the index. In any event, except for sectors that represent less than five percent of the S&P 500 Index, each sector is subject to a maximum twenty percent overweighting. Sectors representing less than five percent of the S&P 500 Index may be over-weighted by one hundred percent (effectively doubling that sector's weight as represented in the S&P 500 Index). Northern Oak engages a third-party specializing in technical



analysis to aid in the development of this strategy. All final decisions with respect to this strategy are made by Northern Oak.

In addition to ETFs, this strategy may incorporate individual stocks and covered call writing and may also short a sector by purchasing an inverse ETF. Individual positions in ETFs will generally not exceed two percent of the total portfolio and individual stock positions will generally not exceed one and a half percent of the total portfolio. Tactical moves to cash may occur in this strategy, but absent unusual circumstances, cash positions will not exceed twenty five percent of the total portfolio.

## ITEM 5. FEES AND COMPENSATION

---

Fees paid to NOWM are for NOWM investment advisory services only. The fees do not include transaction commissions or custodian charges. To the extent mutual funds or exchange traded funds are included as managed assets, clients should be aware that such funds also deduct their own internal advisory fees and expenses. Thus, two levels of fees exist, the internal fees charged by each mutual fund or ETF and NOWM's fee. Clients may be able to acquire mutual funds or ETFs directly, outside of NOWM's services, at no fee.

### INVESTMENT MANAGEMENT SERVICE FEES

Investment Management Service fees are billed quarterly, after services are provided, and are based upon the value of the portfolio on the last business day of the proceeding calendar quarter in accordance with the following standard and preferred fee schedule:

#### ASSETS UNDER MANAGEMENT

Assets Under Management	Quarterly Fee	Annual Fee
Up to \$1,000,000	0.29%	1.15%
Over \$1,000,000	<i>Negotiable</i>	<i>Negotiable</i>

NOWM may deviate (negotiate fees) from the above schedule, at its discretion, if circumstances warrant. These fee changes may occur because of changes in the size of the portfolio, complexity of services required, or individual circumstances. Several variations of this fee schedule are in use with a number of portfolios. Also, at its discretion, NOWM may combine the values of related accounts for fee calculation purposes.

NOWM's fees are charged at the end of each calendar quarter. Fees for any partial calendar quarter are prorated. From time to time, fees may be modified, according to the Investment Management Services Agreement.

Investment Management Service fees may be paid directly by the client or made by a debit directly to the client's account by the custodian holding the client's funds and securities. The direct debit is NOWM's preferred method of payment but will only be done upon advance written approval of the client.

The client or NOWM may terminate the Investment Management Services agreement at any time and without penalty upon written notice to the other party. Upon termination, clients are expected to pay for fees earned by NOWM but not yet paid.

NOWM also provides investment advisory services from time to time pursuant to sub-advisory arrangements with other registered investment advisors pursuant to which NOWM provides discretionary investment advisory services, in conjunction with such other investment advisors, with

respect to all or part of the portfolios of clients of such other investment advisors. NOWM's fees for such services are negotiated with such other investment advisor on a case-by-case basis and are generally paid by such other advisor. These types of arrangements are commonly referred to as "wrap programs" when the sponsor of the program is a brokerage firm which charges an asset-based covering trade commissions and the account manager's advisory fee. See Item 4.D. above.

#### **RETIREMENT PLAN SERVICE FEES**

Fees for Northern Oak's Retirement Plan Services are based upon the level of service performed and determined on by an account by account basis.

### **ITEM 6. PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

---

NOWM does not charge performance-based fees and by that practice does not have side-by-side management fees. All fees are disclosed above.

### **ITEM 7. TYPES OF CLIENTS**

---

NOWM makes its investment advisory services available to a wide variety of clients, including but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Generally, the minimum initial investment to open an account is \$100,000; provided, however, that NOWM may, in its discretion, waive this minimum on a case-by-case basis depending on the circumstances. There is no minimum investment requirement for subsequent investments in an already existing account.

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

---

NOWM measures a client's goals, risk tolerance, and time horizon through an interview process in an effort to determine a plan/portfolio to best fit the client's profile resulting in the previously defined IPS. Investment strategies may be based upon a number of concepts and determined by the type of investor. Investment strategies may include long-term and short-term purchases depending upon the individual needs of the client. Since NOWM believes that risk tolerance is a key element to long-term investment success, asset allocation principles are a key part of NOWM's overall approach in preparing advice for clients. The concept of asset allocation, or spreading investments among a number of asset classes (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities) is generally in the forefront of NOWM's strategies. Asset allocation seeks to achieve efficient diversification of assets, to lessen risk while not sacrificing the effectiveness of the portfolio to achieve the client's objectives.

Please see "Specialized Investment Portfolio Products/Strategies" above for more information about investment strategies.

Recommendations or actions for or purchases of investments will be based on publicly available reports, research analysis, and internally generated research. In the case of mutual funds, recommendations will be based on reports and analysis of performance and fund managers, and certain computerized and other models for asset allocation. NOWM utilizes many sources of public information which include financial news and brokerage research materials.

NOWM does not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by NOWM.

## ITEM 9. DISCIPLINARY INFORMATION

---

NOWM does not have any disciplinary information to report regarding itself or any of its counselors or other related persons.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

---

### **NOWM HAS A MATERIAL RELATIONSHIP WITH TD AMERITRADE**

NOWM has and may continue to receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect, a client referral program. In addition to meeting eligibility criteria for participation in AdvisorDirect, NOWM may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with NOWM and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise NOWM and has no responsibility for NOWM's management of client portfolios or NOWM's other advice or services. NOWM pays TD Ameritrade an ongoing fee for each successful client referral. This fee is usually a percentage of the advisory fee that the client pays to the advisor ("Solicitation Fee"). NOWM will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by NOWM from any of a referred client's family members, including a spouse, child, or any other immediate family member who resides with the referred client and hired NOWM on the recommendation of such referred client. NOWM will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

NOWM's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, NOWM may have an incentive to recommend to clients that the assets under management by NOWM be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, NOWM has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. NOWM's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

## ITEM 11. CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

---

NOWM has developed a Code of Ethics applicable to all persons at the firm who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the code requires such "Access Persons" to obtain preapproval of certain securities transactions, to report transactions quarterly, and to report all securities positions in which they have a beneficial interest at least annually.

This Code of Ethics includes, among other things, the following:

- Standards of business conduct that reflect the fiduciary obligations of NOWM and its supervised persons;
- Provisions requiring its employees and certain other of its supervised or otherwise related persons (“Access Persons”) to comply with applicable securities laws;
- Provisions requiring Access Persons to report their personal securities transactions and holdings;
- Provisions requiring approval before Access Persons acquire beneficial ownership of any security issued in an initial public offering or private placement;
- Provisions requiring supervised persons to report promptly any violations of the Code of Ethics; and
- Provisions requiring each supervised person to be given a copy of the Code of Ethics and to acknowledge in writing their receipt of the Code of Ethics.

Employees of NOWM may invest in the same securities as clients of NOWM, including related securities such as options and derivatives. In addition, employees may have an interest or position in certain securities that may also be recommended to a client. Such positions and such trades made at or about the same time as client trades present a conflict of interest between personnel of NOWM and clients. NOWM addresses this conflict through the procedures described above, which are designed to ensure that no client is disadvantaged in any way by trades of employees of NOWM. For example, as stated above, Access Persons must pre-clear trades in securities of initial public offerings and limited offerings. Also no Access Person may purchase or sell any security on the same day as a purchase or sale of a security involving the same or related security for an advisory account, **unless there is no substantive conflict with client portfolios.**

NOWM periodically reviews the trades of Access Persons and takes other actions in attempt to detect violations of NOWM’s Code of Ethics and insider trading policies and procedures.

NOWM’s Chief Compliance Officer has the responsibility of assuring compliance with the Code of Ethics. Violations of any provision of this reporting requirement may result in the imposition of sanctions by the NOWM’s Chief Compliance Officer as may be deemed appropriate under the circumstances.

A copy of NOWM’s Code of Ethics is available to any client or prospective client upon request.

## ITEM 12. BROKERAGE PRACTICES

---

### GENERAL CONSIDERATIONS IN SELECTING OR RECOMMENDING BROKER-DEALERS FOR CLIENT TRANSACTIONS AND DETERMINING THE REASONABLENESS OF THEIR COMPENSATION

In selecting brokers to execute securities transactions, NOWM’s policy is to obtain “best execution.” In doing so, NOWM considers a variety of factors, including, but not limited to, the range and nature of the broker’s services and execution and operational capabilities, commission rates, and other costs of executing securities transactions, financial strength, reputation, and responsibility of the broker, the value and quality of any research services provided by the broker, client preferences regarding which broker to use, and the continuity and quality of any ongoing relationship between the client and the broker, and the market(s) on which the security to be purchased or sold is traded. In considering the above factors, and depending on the facts and circumstances of each situation, NOWM may pay a broker a commission in excess of that which another broker might have charged for effecting the same transactions. To the extent that research services are provided by a broker, they may be used in servicing all of NOWM’s accounts and are not to be used by NOWM solely in connection with the accounts which paid the commission to the broker providing such services.

NOWM undertakes to continuously monitor and evaluate broker-dealer execution performance and transaction costs in order to assure that best execution is obtained with respect to each securities transaction it executes for clients.

## **RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

NOWM does not enter into so called “soft dollar” agreements whereby it receives research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions. Any research or products or services NOWM receives from broker-dealers as a result of client custodial arrangements is incidental to the relationship.

## **BROKERAGE PROCEDURES FOR CLIENT REFERRALS AND DEALING WITH CONFLICTS OF INTEREST**

When selecting broker-dealers to execute client trades, NOWM undertakes to be sensitive to conflicts of interest, and where necessary, shall address conflicts by disclosure, client consent or other appropriate action.

It is NOWM’s policy also to be sensitive to possible conflicts of interest arising from the use of broker-dealers to execute securities trades for clients referred to NOWM by such referring broker. In such cases, in addition to the normal above-described periodic monitoring of trade execution by brokers and periodic monitoring and evaluation of such relationships, NOWM gives particular attention to commission rates paid to such referring brokers for trades executed thereby in order to ensure that transaction costs charged by referring brokers constitute best execution under the circumstances and given the client’s objectives. Where any adverse material disparities are found by NOWM as between commission rates paid to a referring broker as compared to other brokers and there is no proper basis for such disparity when all circumstances are considered, NOWM contacts the referring broker for the purpose of remedying such disparity.

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



#### **DIRECTED BROKERAGE ARRANGEMENTS**

NOWM, if the client requests and subject to certain restrictions, enters into “directed brokerage” arrangements whereby the client directs NOWM to utilize a particular broker-dealer to execute securities transactions for the client’s account. Clients desiring directed brokerage arrangements with NOWM should understand that committing the client’s brokerage to a particular broker-dealer may adversely affect NOWM’s ability to obtain best execution for the clients insofar as, since NOWM is required to utilize the broker chosen by a client, the client will be required to pay the transaction costs charged by such broker even though other available brokers may charge lower transaction costs or otherwise be able to provide best execution for the client. Clients considering directed brokerage arrangements should compare the possible higher than normal transaction costs or other disadvantages of such arrangements.

#### **AGGREGATION AND ALLOCATION OF SECURITIES TRANSACTIONS**

Orders of two or more clients may be aggregated only if NOWM has determined, on an individual basis, that the securities order is:

- In the best interests of each client participating in the order;
- Consistent with NOWM’s duty to obtain best execution; and
- Consistent with the terms of NOWM’s investment advisory agreement of each participating client.

NOWM has securities allocation procedures which govern the allocation of securities that are purchased or sold for more than one client of NOWM. These allocation procedures are designed to promote fairness among the client accounts managed by NOWM and to conform to applicable laws, regulations, and other applicable legal requirements. Such procedures do not require allocation to be based on strict, mathematical formulas. Although the allocation procedures are generally based on objective criteria, they permit judgment to be exercised to respond to appropriate, special circumstances. Securities purchased for clients are generally allocated by order size on a pro rata basis. If several clients are seeking to buy as much securities of the same issuer as they can, the securities acquired are allocated by the size of assets of each client’s account. If several clients are seeking to sell as much securities of the same issuer as they can, the securities sold are allocated based on the total size of each client’s position in that security. The price of the securities allocated is generally the average share price for all transactions of the clients in that security on a given day with a given broker or custodian, with all transaction costs shared on a pro rata basis, subject, however, to any minimum ticket or transaction charges imposed by the executing broker.

#### **TRADE ERRORS**

NOWM takes affirmative steps to detect trade errors after trades are made and has established internal policies and procedures governing the correction of trade errors. Upon discovering an error, it is NOWM’s policy to immediately undertake the steps necessary to correct the trade and make the affected client whole. Under no circumstances will NOWM benefit when correcting a trade error would otherwise result in a gain to the firm. Any gains resulting from trade error corrections are donated by TD Ameritrade to the American Red Cross or a 501(c)(3) charitable organization selected by the firm. NOWM does not receive any pecuniary benefits from these donations. A copy of the entire NOWM trade error policy is available upon request.

#### **ITEM 13. REVIEW OF ACCOUNTS**

---

Client portfolios are regularly reviewed for continued suitability of investments and to ensure that the client’s investment objectives are being maintained and asset allocation is within agreed IPS guidelines.

Factors considered are age, risk tolerance, income requirements, and client proclivities. These factors are paramount in establishing guidelines for overall asset allocation. Common stocks are, generally, reviewed on the basis of sales and earnings growth, dividend returns, valuations, volatility, and long-term prospects. Mutual funds and ETFs are reviewed as to their investment orientation and how well they fit with a client's overall investment objectives. Fixed income securities are evaluated primarily on the basis of credit quality and maturity. Client accounts are reviewed on a continual basis. Accounts are reviewed by one or a combination of the following persons: Mark R. Zellmer, Chairman and Portfolio Manager; David P. Becker, President and Portfolio Manager; David Szatkowski, Senior Vice President and Portfolio Manager and Matthew F. Bappert, Portfolio Manager. As of March 1, 2017, the firm has 776 separately managed accounts which represent 336 relationships. Although account loads are not divided equally, there are approximately 84 relationships per portfolio manager.

Quarterly reports are sent to clients by NOWM listing their investments under management, the units of stock and/or bonds in the portfolio, cost basis, current market value, amount of annual dividend or interest, and percent yield at the market. Additionally, the custodian with respect to the client's account provides a monthly statement to the client which shows the assets and activity in the client's accounts.

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

---

NOWM may, from time to time, enter into solicitation arrangements with certain persons or entities pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940 and pay a referral/solicitation fee to such persons for client referrals. In such cases, solicitation arrangements are made in writing and involve only properly qualified persons.

Also, from time to time, NOWM may take into account the fact that a broker-dealer has referred advisory clients to NOWM when it places client trades. Since NOWM stands to earn advisory fees on such referred clients, the practice raises a potential conflict of interest between NOWM's incentive to attract new clients and the client's desire for utilizing broker-dealers that provide the best execution.

#### **ITEM 15. CUSTODY**

---

NOWM does not take custody of client funds or securities. The safekeeping services are typically provided to managed accounts only by the brokerage firm processing the securities transactions.

To the extent a client receives any account or other investment statement from NOWM, NOWM recommends the client carefully compare the information in the report to the information provided in the custodian's statements.

#### **ITEM 16. INVESTMENT DISCRETION**

---

NOWM will maintain limited trading discretion over Investment Management Service accounts when client authorization is granted in the services agreement. This authority allows NOWM to determine the securities to buy and sell, the amount of securities to buy and sell, and when to buy and sell. Clients have the ability to give instructions to NOWM. NOWM will not have full discretionary authority (or full power of attorney) to withdraw funds or take custody of client funds or securities.

#### **ITEM 17. VOTING CLIENT SECURITIES/CLASS ACTION LITIGATION**

---

Except as required by applicable law or interpretive regulation, NOWM will not be required and is not permitted by Client to take any action or provide any advice with respect to the voting of proxies for securities held in the Account, nor will NOWM be obligated to provide advice or take any action on behalf

of Client with respect to any securities held in the Account, or the issuers thereof, which become the subject of any legal proceedings, including bankruptcies.

#### ITEM 18. FINANCIAL INFORMATION

---

NOWM does not require fees of more than \$1,200 six months or more in advance from any client, thus no financial statement for NOWM is attached. NOWM does not have any financial condition that is reasonable likely to impair its ability to meet its contracted commitment to any client.





## FORM ADV—PART 2B: BROCHURE SUPPLEMENT

January 16, 2018

**Northern Oak Wealth Management, Inc.**  
**555 E. Wells Street, Suite 1625**  
**Milwaukee, WI 53202**  
**Phone: 414-278-0590**  
**Fax: 414-278-1294**  
**[www.northern-oak.com](http://www.northern-oak.com)**

---

Brochure Supplements for the following Investment Advisor  
Representatives of Northern Oak Wealth Management, Inc.

---

Mark R. Zellmer .....	15
David P. Becker, CFA .....	16
David J. Szatkowski, CFA .....	17
Matthew F. Bappert .....	18
<i>Professional Designation Information</i>	
CFA.....	19

---

### IMPORTANT DISCLOSURES

---

This brochure supplement provides information about the investment adviser representatives (“IARs”) of Northern Oak Wealth Management, Inc. (“NOWM”), and supplements the NOWM brochure. You should have received a copy of that brochure. Please contact Dave Becker if you did not receive NOWM’s brochure. If you have any questions about the contents of this group supplement you may contact Mr. Becker at 414-278-0590. Additional information about the IARs in this brochure supplement is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## Mark R. Zellmer

---

January 16, 2018

### ***Educational Background and Business Experience***

Mr. Zellmer, age 57, graduated from Marquette University with a B.S. in Business Administration in 1981 and a M.B.A. in 1986. He began his investment career with a Milwaukee-based brokerage firm in 1982, and eventually formed his own investment management company. He sold that firm in 1984 to Loewi Asset Management. He was named assistant vice president and later vice president, as the firm evolved into Capital Investment Services of America, Inc. Mark joined Haker Investment Management in 1989 as vice president, and became the firm's president in April 2000. He is now the majority shareholder of Northern Oak Wealth Management, Inc., a registered investment advisory firm that specializes in creating asset allocation models and managing assets for high-net-worth individuals and foundations. He is active in the business community with interests in a number of privately held companies. He is a member of the Milwaukee chapters of The Association for Corporate Growth (ACG) and Midwest Business Brokers and Intermediaries (MBBI). In addition, he also serves as an adjunct instructor of finance at Marquette University, teaching Portfolio Management and Entrepreneurial Finance at both the undergraduate and graduate levels.

### ***Disciplinary Information***

Mr. Zellmer has not been and is not the subject of any legal or disciplinary matter.

### ***Other business Activities***

Mark Zellmer, who is an officer, director, and shareholder of NOWM is also a member of Milwaukee Capital Partners, Ltd, a Wisconsin limited liability company owned by a limited number of partners with the purpose of investing in certain entities selected by Milwaukee Capital Partners, Ltd. Mr. Zellmer does not receive a substantial portion of his income from Milwaukee Capital Partners, Ltd., nor does he spend a substantial amount of time in performing duties for it.

### ***Additional Compensation***

Mr. Zellmer's salary and compensation is directly and indirectly a function of assets under supervision and the assumption of other responsibilities. The advice he provides is monitored by a combination of other account managers.

### ***Supervision***

Mr. Zellmer is under the supervision of the President, Chief Investment Officer and Chief Compliance Officer, David P. Becker (414-223-1079).

## David P. Becker, CFA

---

January 16, 2018

### **Educational Background and Business Experience**

Mr. Becker, age 48, graduated from the University of Wisconsin with a B.B.A. in accounting in 1991 and a M.S. in Finance in 1996 where he participated in the Applied Security Analysis Program. From 1991-1994, Mr. Becker worked as a staff auditor for Deloitte & Touche in the Minneapolis and Milwaukee offices. From 1996-2001, Mr. Becker was employed by Campbell Newman Asset Management as Associate Director of Research. Mr. Becker joined Northern Oak Wealth Management in 2001 and is currently the President and Chief Investment Officer of the firm as well as a shareholder. He earned the Chartered Financial Analyst (CFA) designation in 1998. Mr. Becker is past president of the CFA Society of Milwaukee.

### **Disciplinary Information**

Mr. Becker has not been and is not the subject of any legal or disciplinary matter.

### **Other business Activities**

None.

### **Additional Compensation**

Mr. Becker's salary and compensation is directly and indirectly a function of assets under supervision and the assumption of other responsibilities.

### **Supervision**

Mr. Becker is under the supervision of the Chairman, Mark R. Zellmer (414-223-1080).

## David J. Szatkowski, CFA

---

January 16, 2018

### **Educational Background and Business Experience**

Mr. Szatkowski, age 67, graduated from the University of Wisconsin – Madison in 1971 with a B.B.A. in Finance, Investments and Banking and was a member of the Applied Security Analysis Program. He earned the Chartered Financial Analyst (CFA) designation in 1978 and the Chartered Investment Counselor (CIC) designation in 1991. He joined the company in March 2008 where he is currently Senior Vice President, Portfolio Manager and a shareholder. From 1977 until February 2007, Mr. Szatkowski was employed by Campbell Newman Asset Management, Inc., his most recent position having been Managing Director and Portfolio Manager. He is a former officer and treasurer of the Milwaukee Investment Analysts Society.

### **Disciplinary Information**

Mr. Szatkowski has not been and is not the subject of any legal or disciplinary matter.

### **Other business Activities**

None.

### **Additional Compensation**

Mr. Szatkowski's salary and compensation is directly and indirectly a function of assets under supervision and the assumption of other responsibilities.

### **Supervision**

Mr. Szatkowski is under the supervision of the President, Chief Investment Officer and Chief Compliance Officer, David P. Becker (414-223-1079).

## Matthew F. Bappert

---

January 16, 2018

### **Educational Background and Business Experience**

Mr. Bappert, age 28, graduated from Indiana University with a Bachelor of Science with a focus in Public Financial Management in 2011. He began his career in 2011 at Wintrust Financial Corporation as a credit analyst, with the principal responsibility of underwriting commercial industrial and commercial real estate credit. In 2013, Mr. Bappert joined FactSet Research Systems, Inc., a provider of portfolio management and analytics software. While with FactSet he served in a consulting role for institutional portfolio managers, research analysts as well as wealth management clients.

### **Disciplinary Information**

Mr. Bappert has not been and is not the subject of any legal or disciplinary matter.

### **Other business Activities**

None.

### **Additional Compensation**

Mr. Bappert's salary and compensation is directly and indirectly a function of assets under supervision and the assumption of other responsibilities.

### **Supervision**

Mr. Bappert is under the supervision of the President, Chief Investment Officer and Chief Compliance Officer, David P. Becker (414-223-1079).

## Professional Designation Information

---

### CFA

The Chartered Financial Analyst (“CFA”) charter is globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute - the largest global association of investment professionals.

To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as member; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

#### High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

#### Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charter holders - often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

#### Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investment, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

**NORTHERN OAK WEALTH MANAGEMENT, INC.  
PRIVACY POLICY**

**March, 2017**

We at Northern Oak Wealth Management, Inc. understand and appreciate that our clients are concerned about their privacy and about the confidentiality and security of information that we may obtain from them. This policy describes the steps we have taken to safeguard your information and what client information we may share to others.

When you choose to become a client of Northern Oak Wealth Management, Inc., you will need to give us certain personal information so we may open and service your account. We pledge our commitment to maintain the confidentiality of this information. This Privacy Policy applies to our current and former clients.

**A. TYPES OF INFORMATION THAT WE COLLECT AND MAY DISCLOSE TO OTHERS**

We collect and may disclose to others the following types of nonpublic personal information about you:

1. Information on your account application or other forms, including your name, address, Social Security number, marital status, assets, and income;
2. Information about your investments and transactions with us and other financial institutions. This may include specific investments, account balances, and cash deposits and withdrawals; and
3. Information we receive from consumer reporting agencies.

**B. DISCLOSURE OF INFORMATION**

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as necessary or appropriate in order to provide our investment advisory services to you or as otherwise permitted by law, as more fully described in Section C., below.

**C. WHAT INFORMATION WE DISCLOSE TO NON-AFFILIATES**

We may share nonpublic personal information that we collect about our clients or former clients with:

1. Non-affiliated companies that provide services in connection with your investments and other transactions handled by us and otherwise to the extent necessary or appropriate in order to carry out our investment advisory services; and
2. Non-affiliated companies and government agencies only to the extent permitted or required by law, for legal, regulatory or other purposes.

**D. HOW DO WE PROTECT YOUR PERSONAL INFORMATION?**

We maintain the confidentiality, security and integrity of your personal information by:

1. Restricting access to your nonpublic personal information to those employees with a legitimate need for the information; and
2. Maintaining physical, electronic and procedural safeguards that meet or exceed federal and industry standards governing how nonpublic personal information should be stored and retained.

**E. PRIVACY POLICY UPDATE**

From time to time, we may amend our privacy policy. You will receive appropriate notice when our privacy policy changes.

**F. HOW TO CONTACT US WITH PRIVACY QUESTIONS.**

If you have any questions regarding our privacy policy, please contact us at (414) 278-0590.