

Silverleaf Capital Partners, LLC

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This brochure provides information about the qualification and business practices of [Silverleaf Capital Partners, LLC](#). If you have any questions about the contents of this brochure, please contact us at [901-259-3345](tel:901-259-3345), or by email at info@silverleaf.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about [Silverleaf Capital Partners, LLC](#) is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training.

March 31, 2011

Material Changes

Annual Update

Silverleaf Capital Partners, LLC is providing this information as part of our annual updating amendment which contains material changes from our last annual update. This section discusses only material changes since the last annual update which most recently occurred on March 25, 2010.

Material Changes since the Last Update

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. The newly revised Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must now include a summary of all material changes since the last annual update.

This Brochure, dated March 29, 2011, is materially different in structure and contains certain new information that our previous brochure did not require. There have been no other material changes since our last update.

Full Brochure Availability

The Firm Brochure for Silverleaf Capital Partners, LLC is available by contacting 901-259-3345 or info@silverleaf.com.

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Advisory Business

Firm Description

Silverleaf Capital Partners, LLC was founded in 2004 by William D. Patterson. There are currently five employees including two portfolio managers, one as a Chartered Financial Analyst (CFA) and one as a Certified Investment Management Analyst (CIMA), one as a business development officer, one as an operations and service director and one as an analyst. The firm is federally registered with the SEC (Securities and Exchange Commission) as a Registered Investment Adviser.

Silverleaf Capital Partners, LLC provides portfolio management and investment management to individuals, families and their related entities, trusts and estates, family businesses, corporations, pension and retirement plans and non-profit organizations. Silverleaf Capital Partners, LLC works with clients to define financial objectives and to develop strategies and portfolios for reaching those objectives, which may include: cash flow management, investment tax planning, risk exposure review, portfolio management, investment consulting, estate planning, charitable goals, business succession, and/or other issues specific to the client.

Silverleaf Capital Partners, LLC compensation is solely from fees paid directly by clients. The firm does not receive commission based on the client's purchase of any financial product. No commissions in any form are accepted. No referral fees are accepted. No benefits are received from custodians/broker-dealers based on client securities transactions ("soft dollar benefits").

Assets under the direct management of Silverleaf Capital Partners, LLC are held by independent custodians, including Fidelity Investments, Charles Schwab, or others, in the client's name. Silverleaf Capital Partners, LLC does not act as a custodian of client assets nor does it act as a trustee of trusts.

Silverleaf Capital Partners, LLC may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by the Advisor. If conflicts of interest exist, they will be disclosed to the client and will be managed in the best interest of the client.

Principal Owners

William D. Patterson is the 100% owner of Silverleaf Capital Partners, LLC. There are no intermediate subsidiaries.

Types of Advisory Services

The primary type of advisory service offered by Silverleaf Capital Partners, LLC is investment supervisory services (i.e. "portfolio management"). Silverleaf Capital Partners, LLC additionally

provides investment advice regarding asset allocation, risk management, security selection, due diligence, investment manager selection and various portfolio reporting and consulting services.

Each client is advised that it remains their responsibility to promptly notify Silverleaf Capital Partners, LLC when there is any change in their financial situation and/or financial objectives for the purpose of reviewing, evaluating or revising previous recommendations and/or services.

Portfolio Management

Silverleaf Capital Partners has created specific investment portfolios to meet different client objectives. Fixed income-based portfolios are designed for stability of principal and income generation. Clients with a dual mandate of income generation and growth of principal utilize our hybrid income and equity income investment portfolios. Finally, long-term growth oriented clients have access to our endowment and global opportunity portfolios. Clients can invest in one or all of our investment portfolios, depending on their specific needs, time horizons and overall tolerance for risk.

In providing portfolio management services for clients, Silverleaf Capital Partners, LLC utilizes access to independent custodian's trading desks to execute block trading and average price allocations for the best interest of client trade execution. Silverleaf Capital Partners, LLC uses third party integrated software to communicate electronically and efficiently with clients' custodians. Clients receive monthly statements from their custodians as well as frequent portfolio and performance reports from Silverleaf Capital Partners, LLC.

Investment Consulting

Silverleaf Capital Partners, LLC provides investment consulting services for clients who desire a professional relationship to act as a chief investment officer for the client's family. This relationship provides continuous and regular supervisory services. Silverleaf Capital Partners, LLC acts in the client's interest to allocate assets among other managers, funds or asset classes to meet and measure clients' mandates.

Tailored Relationships

At Silverleaf Capital Partners, LLC, advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and discussions and are used to determine the course of action for each individual client. The investment policy for each client is documented in our client relationship management system and in client files, either in hard copy or electronic files.

Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing and signed by the client and Silverleaf Capital Partners, LLC. Agreements may not be assigned without client consent.

Assets Under Management

As of December 31, 2010, Silverleaf Capital Partners, LLC managed approximately \$69,600,000 in assets for 155 accounts or 20 client households. Approximately \$65,000,000 is managed on a discretionary basis and \$4,600,000 on a non-discretionary basis.

Fees and Compensation

Fee Schedule

Silverleaf Capital Partners, LLC bases our fees on a percentage of Assets Under Management, a negotiated fixed fee or retainer depending on the client mandate and engagement. Fees may be negotiable on a case by case basis based on the aggregate size of the client relationship. Our standard fee schedule is based on a percentage of assets under management as follows:

Assets	Annual Fee
<\$10,000,000	1.00%
\$10,000,001 -- \$30,000,000	0.80%
\$30,000,001 -- \$50,000,000	0.60%
>\$50,000,000	Negotiated

Fee Billing

Silverleaf Capital Partners, LLC client fees are billed quarterly in advance based on the prior quarter end asset balance going forward. For a 1.00% annual fee, a client will be charged 0.25% on the account balance as of March 31, June 30, September 30 and December 31. Upon initial engagement, we use a prorated calculation from the contract date through the end of the quarter. . Our agreement may be terminated at any time by either party upon 30 day written notice to the other party. Fees will be prorated to date of termination. In the event of termination of this Agreement, we shall have no obligation whatsoever to recommend any action with respect to or to liquidate the assets in the Account(s). Our fees shall be due and payable in connection with its services provided hereunder prorated through the date of such termination. Upon written termination notice from the client, we will continue to manage client assets as engaged unless instructed otherwise.

Direct Debit of Fees

As provided in our client agreement and custodial agreements, Silverleaf Capital Partners, LLC will provide the custodian instruction to direct debit client accounts on a quarterly basis in advance for fee billings.

Other Fees

In connection with our advisory services, clients may incur and are responsible for the fees and expenses charged by their custodians and imposed by broker-dealers. Custodians may charge transaction fees on purchases and sales of securities. These transaction charges are typically small and are incidental to the purchase or sale of a security. In addition, we often use exchange traded funds in implementing our investment portfolios which have varying rates of expense ratios.

Performance-Based Fees

Silverleaf Capital Partners, LLC does not accept performance based fees, that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

Types of Clients

Description

Silverleaf Capital Partners, LLC generally provides portfolio management and investment advice to individuals, families, trusts, estates, foundations, corporations and retirement plans. Advice and service often extend to entities related to the client such as businesses and charitable organizations. Client relationships may vary in scope and service.

Account Minimums

Client relationships must have a minimum aggregate value of \$2,000,000 or \$20,000 minimum annual fee to be accepted as advisory relationships. Silverleaf Capital Partners, LLC reserves the sole discretion to make exceptions to minimum values.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

At Silverleaf Capital Partners, LLC, we utilize fundamental analysis of macroeconomic trends (GDP, inflation, demographics, etc.) across 44 developed and emerging global economies to determine thematic investment options across various asset classes (global equity, real estate, commodities, fixed income and currency). Our Investment Committee (IC) discusses these themes to determine where and how we want to deploy portfolio assets for participation. Further, we overlay technical analysis, including moving averages, relative strength and Moving Average Convergence/Divergence (MACD), to determine current directional trend and historical effectiveness of trend identification. We primarily use Exchange Traded Funds (ETFs) for the implementation of the vast majority of our investment portfolios.

In forming our investment opinion, we use a variety of information, research and data sources including Bloomberg, Standard & Poor's, MarketEdge, Dow Jones, Barron's, Argus, fund prospectuses, Decision Economics, Morningstar, financial news papers and magazines, other third party research, annual reports and SEC filings.

Investment Strategies

Silverleaf Capital Partners, LLC utilizes defined investment portfolios based on our fundamental, macroeconomic research and technical overlay. Our defined investment portfolios scale in volatility, risk and opportunity from conservative to aggressive. Clients may invest assets in one or several portfolios to meet their stated objectives and risk profile. The composition of these portfolios will be diversified across global asset classes, issuers, currencies, opportunities, geopolitical risks and themes. We primarily use exchange traded funds as the investment vehicle of choice, where and when appropriate and available. Silverleaf Capital Partners, LLC considers many factors in the due diligence process of security selection including market capitalization, liquidity - average daily volume, expense ratios, issuer reputation and strength as well as any counterparty risks. Although exchange traded funds are the primary investment vehicle of choice, we seek to find the best investment vehicle to capture our objective opportunity while maintaining liquidity for our portfolios.

Strategy	Goal	Typical Holdings
Fixed Income	Income Generation	Fixed Income
Income	Income Generation	Fixed Income and Equity
Hybrid Income	Growth and Income	Fixed Income and Equity
Equity Income	Growth and Income	Equity
Endowment	Growth	Fixed Income and Equity
Global Opportunity	Growth	Equity

Risk of Loss

Although Silverleaf Capital Partners, LLC makes every effort to preserve each client's capital and achieve real growth of wealth, investing in the stock markets involves risk of loss that each client should be prepared to bear.

Stock values fluctuate in response to the activities of individual companies and general market and economic conditions, domestically and abroad. Foreign investments involve greater risks than U.S. investments, including political and economic risks and the risk of currency fluctuations, all of which may be magnified in emerging markets. Although bonds generally present less short-term risk and volatility than stocks, bonds do contain interest rate risk (as interest rate rise, bond prices usually fall and vice versa) and the risk of default, or the risk that an issuer will be unable to make income or principal payments. Additionally, bonds and short-term investments entail greater inflation risk, or the risk that the return of an investment will not keep up with increases in the prices of goods and services, than stocks.

ETF Risk: The Shares may trade above or below their NAV. The NAV of each ETF will generally fluctuate with changes in the market value of the ETF's holdings. The market prices of Shares, however, will generally fluctuate in accordance with changes in NAV as well as the relative supply of, and demand for, Shares on the Exchange. The trading price of Shares may deviate significantly from NAV during periods of market volatility. The Manager cannot predict whether Shares will trade below, at or above their NAV. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related to, but not identical to, the same forces influencing the prices of the securities held by an ETF. However, given that Shares can be purchased and redeemed in Creation Units (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their NAV), and the ETFs' portfolio holdings are disclosed on a daily basis, the Manager believes that large discounts or premiums to the NAV of Shares should not be sustained.

Foreign Investing Risk: Overseas investing carries potential risks not associated with domestic investments. Such risks include, but are not limited to: (1) currency exchange rate fluctuations, (2) social, political and financial instability, (3) less liquidity of foreign investments, (4) lack of uniform accounting, auditing and financial reporting standards, (5) less government regulation and supervision of foreign stock exchanges, brokers and listed companies, (6) increased price volatility, (7) delays in transaction settlement in some foreign markets, and (8) less availability of information for an investment sub-adviser to determine a company's financial condition.

Derivatives Risk: Derivatives are financial contracts whose value depend on, or are derived from, the value of underlying assets, such as a reference security, rate or index. Since the value of derivatives is calculated and derived from the value of other assets, instruments or references, there is a risk that they will be improperly valued. The ETF may use derivatives, such as futures contracts and foreign currency forward contracts, as a hedge against foreign currency fluctuations. If one of the investment sub-

advisers incorrectly forecasts currency exchange rates in utilizing a derivatives strategy for an ETF, the ETF could lose money. For certain derivatives, it is possible to lose more than the amount invested in the derivative. There can be no assurance that any strategy used will succeed.

Derivatives also are subject to market risk, liquidity risk, and credit and counterparty risk. Counterparty risk is the risk that the counterparty on a derivative transaction will be unable to honor its financial obligations to the ETF. Derivatives also involve the risk that changes in their value may not correlate perfectly with the assets, rates, or indices they are designed to hedge or closely track. The ETFs' Statement of Additional Information contains a description of the various derivatives the ETF may utilize.

Trading Risk: Although the Shares will be listed on the Exchange, there can be no assurance that an active or liquid trading market for them will develop or be maintained. In addition, trading in Shares on the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable. Further, trading in Shares on the Exchange is subject to trading halts caused by extraordinary market volatility pursuant to the Exchange "circuit breaker" rules. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of the ETF will continue to be met or will remain unchanged.

Disciplinary Information

Silverleaf Capital Partners, LLC and our employees have not been involved in any legal or disciplinary events related to past or present activities.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Silverleaf Capital Partners, LLC does not participate in any other industry business activities. We may at times recommend unrelated, third party investment managers who have greater expertise in certain disciplines when appropriate for the client; we do not receive any additional compensation for the recommendation or selection of these investment advisors.

Affiliations

Silverleaf Capital Partners, LLC is 100% owned by William D. Patterson and does not have any affiliations.

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

Code of Ethics

The employees of Silverleaf Capital Partners, LLC have committed to a Code of Ethics to govern personal and professional activity. The key points to our Code of Ethics are: putting clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure and professionalism. CFA and CIMA designees are also held to a Code of Ethics as outlined by the CFA Institute and the Investment Management Consultants Association. All employees are required to acknowledge receipt of and the terms to the Code of Ethics annually and any amendments thereto. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Silverleaf Capital Partners, LLC and our employees may at times buy or sell securities which are also held by clients. If Silverleaf Capital Partners, LLC is purchasing, selling or considering purchasing or selling any security on behalf of a client account, no employee may effect a transaction in that security prior to the client trade having been completed by the firm, or until a decision has been made not to purchase or sell the security on behalf of the client account. Any employee or firm trade in the same security traded for clients will be "block" traded alongside client accounts for best execution and average price allocation as to not permit any advantages or disadvantages for any participating party.

Personal Trading

The Chief Compliance Officer or his designee will monitor and review all reports required under the Code for compliance with Silverleaf Capital Partners, LLC policies regarding personal securities transactions and applicable SEC rules and regulations. The Chief Compliance Officer may also initiate inquiries of access persons regarding personal securities trading. Access persons are required to cooperate with such inquiries and any monitoring or review procedures employed by Silverleaf Capital Partners, LLC. Any transactions for any accounts of the Chief Compliance Officer will be reviewed and

approved by John B. Russell and reviewed by Monica Bullard, CPA, CSCP or other designated person of Focus 1 Associates.

Brokerage Practices

Selecting Brokerage Firms

Silverleaf Capital Partners, LLC does not have any affiliation with any brokerage firms. Specific custodian recommendations are made to clients based on their need for such services. Silverleaf Capital Partners, LLC recommends custodians based on the proven integrity and financial responsibility of the firm, best execution of orders at reasonable commission rates, manual and electronic access trading algorithms, and the quality of client service. We generally recommend discount brokerage firms such as Fidelity Investments and Charles Schwab Company.

Directed Brokerage

Clients may request their accounts to be held at a custodian acceptable to Silverleaf Capital Partners, LLC but not necessarily recommended by our firm. If clients direct brokerage, Silverleaf Capital Partners, LLC may be unable to achieve most favorable execution in client transactions. Directing brokerage may cost clients more money for transactions, make them ineligible for block execution and average price allocation.

Best Execution

Silverleaf Capital Partners, LLC reviews the execution of trades and the fees charged at custodians at least semi annually. We take into consideration, order aggregation, electronic or manual access to trading algorithms, access to specialists on trading desks, connectivity to our third party order management system, electronic data feeds and custodial reconciliation, trading costs, access to third party execution quality analysis, and overall custodial service for the trading process.

Soft Dollars

Silverleaf Capital Partners, LLC does not receive soft dollar benefits from custodians to whom we recommend clients or trade securities.

Order Aggregation

Our practice is to aggregate client orders for the same securities traded on the same day and block trade them by custodian. Our order management system software efficiently executes this practice while allocating an average price upon full or partial execution of the securities prorata to each client account involved in the purchase or sale of the securities.

In the instance of a partial order fill, clients will receive a prorata allocation of the executed order.

Review of Accounts

Periodic Reviews

The frequency of reviews is individually negotiated with each client. Clients are provided with quarterly, semi-annual, or annual reviews, which may vary in focus by quarter and may include asset allocation updates, performance reviews, tax reviews, investment reviews, cash flow reviews and more.

Internal investment reviews at Silverleaf Capital Partners, LLC are conducted monthly by John B. Russell, Sr. Portfolio Manager and William D. Patterson, Managing Partner. Every account is reviewed for position sizes, cash balances, asset allocation and investment strategy portfolio compliance.

Review Triggers

Account reviews are performed more frequently when market conditions dictate, or when a client's objectives change. These reviews may be triggered by client request, changes in market condition, new information about an investment, changes in tax laws or other important changes.

Regular Reports

Various written reports are sent to clients based on their negotiated frequency and request. These reports may consist of a monthly commentary on our general thoughts on the global economy and the impact to our portfolios, and at a minimum, quarterly appraisals of position from our portfolio accounting software, a realized gain/loss report, and performance reports. In addition to the reports from Silverleaf Capital Partners, LLC, clients will receive monthly custodial statements which will serve as their official record of assets. Our portfolio accounting software is reconciled to each custodian daily for prices, activity and positions.

Performance Reports

Performance reports provided by Silverleaf Capital Partners, LLC are generated by our portfolio accounting software which is reconciled daily with the custodian. Net of fees performance is provided to the client as well as gross of fees performance to compare to relative indices. Performance reports are sent to clients at least quarterly.

Net Worth Statements

Net worth statements may be constructed by Silverleaf Capital Partners, LLC with the input from the client. Hard-to-price assets, real estate, limited partnerships, closely held assets and approximation of bank accounts values are provided by the client and are used for longer term planning. Many of these

assets may be valued at client cost until another third party transaction can be used to establish independent valuation.

Client Referrals and Other Compensation

Silverleaf Capital Partners, LLC has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. Our firm maintains a written agreement with one referral source to whom we pay an annual fee. Our referral relationship does not increase the cost of investment management to the client. We strictly follow regulatory guidelines for written disclosure and recordkeeping where we fully disclose to the client and receive written acknowledgement by the client of the referral relationship.

Custody

Silverleaf Capital Partners, LLC does not take possession of client funds or securities. All assets are held at qualified custodians, who provide account statements directly to clients at their address of record at least monthly. Clients have direct 24/7 access to their account information via custodial web access. Occasionally, qualified clients may invest in private placements which are not held at qualified custodians. In these cases, statements are generally provided directly by the investment principal at least annually. Clients are encouraged to carefully review the statements provided by their custodians to those they receive from Silverleaf Capital Partners, LLC. For more information on the various reports Silverleaf provides, please see the *Review of Accounts* section of this brochure.

Investment Discretion

Discretionary Authority for Trading

Silverleaf Capital Partners, LLC accepts discretionary authority to manage and trades securities on behalf of clients. We have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of securities to be bought or sold. Discretionary trading authority facilitates placing trades in clients' account on their behalf so we may promptly implement the

investment policy they have approved. If a third party investment manager is engaged, they have full discretion over trades and do not consult with Silverleaf Capital Partners, LLC or with clients prior to placing trades, unless the client has restricted certain securities or sectors from their portfolio.

Limited Power of Attorney

Clients must sign a limited power of attorney for trading authority before Silverleaf Capital Partners, LLC is given discretionary authority. The limited power of attorney is included in the qualified custodian's account application for our main custodians. Additionally, this limited power of attorney for trading is given through the execution of the Silverleaf Capital Partners, LLC client relationship agreement.

Voting Client Securities

Silverleaf Capital Partners, LLC does not vote proxies relating to client portfolio securities. Clients will receive their proxies or other solicitations directly from their custodian. We will be available to discuss and assist clients with questions pertaining to proxy materials.

Financial Information

Silverleaf Capital Partners, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.