

INVESTMENT ADVISER BROCHURE

PART 2A OF FORM ADV

SILVER OAK SERVICES PARTNERS, LLC

**Silver Oak Services Partners, LLC
1560 Sherman Avenue, Suite 1200
Evanston, IL 60201
<http://www.silveroaksp.com/>**

March 2014

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Silver Oak Services Partners, LLC (“Silver Oak Services Partners”). If you have any questions about the contents of this Brochure, please contact us at (847) 332-0400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Silver Oak Services Partners is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Silver Oak Services Partners is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

Since the last version of this Brochure dated April 2013, the Brochure has been revised to update the description of the advisory business of Silver Oak (as defined within).

TABLE OF CONTENTS

	<u>Page</u>
Material Changes	ii
Advisory Business	2
Fees and Compensation.....	3
Performance-Based Fees and Side-By-Side Management	5
Types of Clients.....	5
Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Disciplinary Information.....	13
Other Financial Industry Activities and Affiliations.....	13
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	13
Brokerage Practices	14
Review of Accounts	16
Client Referrals and Other Compensation.....	16
Custody	16
Investment Discretion.....	16
Voting Client Securities.....	17
Financial Information.....	17

ADVISORY BUSINESS

Silver Oak Services Partners, LLC (“**Silver Oak Services Partners**”), the registered investment adviser, is a Delaware limited liability company. Silver Oak Services Partners commenced operations in November, 2005. The following investment advisers are affiliated with Silver Oak Services Partners:

- Silver Oak Management, L.P.
- Silver Oak Management II, L.P.

(each, a “**General Partner**” and together with Silver Oak Services Partners and their affiliated entities, “**Silver Oak**”)

Each General Partner listed above is registered under the Advisers Act pursuant to Silver Oak Services Partners’ registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner, which operate as a single advisory business together with Silver Oak Services Partners.

The General Partners each serve as general partner to one or more Funds, as defined below, and have the authority to make investment decisions on behalf of such Funds.

Silver Oak provides discretionary investment advisory services to its clients, which consist of private investment-related funds. Silver Oak’s clients include the following (each, a “**Fund**,” and together with any future private investment fund to which Silver Oak provides investment advisory services, “**Funds**”):

- Silver Oak Services Partners, L.P. (“**Fund I**”)
- Silver Oak Services Partners II, L.P. (“**Fund II**”)

Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. The Funds generally invest through negotiated transactions in operating companies. Silver Oak’s investment advisory services to Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and ultimately selling such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted in certain instances. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Silver Oak may serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by Funds.

Silver Oak’s advisory services for each Fund are detailed in the applicable offering memorandum (each, a “**Memorandum**”) and limited partnership agreements (each, a “**Limited Partnership Agreement**”) and together with the Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable

constraints. The Funds or Silver Oak may enter into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing a Fund's Limited Partnership Agreement.

Additionally, from time to time, Silver Oak may provide (or agree to provide) certain investors or other persons the opportunity to co-invest in certain portfolio companies alongside a Fund. Co-investors typically invest and dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, co-investors may purchase a portion of an investment from a Fund. Any such purchase from a Fund by a co-investor generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, and the co-investor may be charged interest on the purchase to compensate the relevant Fund for the holding period.

As of December 31, 2013, Silver Oak managed \$262,621,609 in client assets on a discretionary basis. Silver Oak Services Partners is principally owned by Daniel M. Gill and Gregory M. Barr.

FEES AND COMPENSATION

In general, each General Partner receives a management fee and a carried interest in connection with advisory services. The General Partners or other Silver Oak entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies (*e.g.*, monitoring and other fees) of Funds and such additional compensation will offset in whole or in part by the Management Fees (as defined below) otherwise payable to the General Partners. Investors in the Funds also bear certain fund expenses, as described below.

Management Fees

Each Fund pays the applicable General Partner a management fee (the "**Management Fee**") equal to 2% on an annual basis of aggregate Fund investor capital commitments. The Management Fee for each semi-annual period is paid partially in arrears and partially in advance. Investors participating in a closing after the initial closing of a Fund bear the Management Fee from the date of the initial closing of such Fund. The Management Fee may be reduced upon the expiration of the investment period or earlier upon the occurrence of certain other events as described in the applicable Fund's Governing Documents. The Management Fee will be payable until all portfolio investments are distributed or until the General Partner's relationship with the applicable Fund is terminated for other reasons (as described in the Governing Documents). Installments of the Management Fee payable for any period other than a full six-month period are adjusted on *pro rata* basis according to the actual number of days in such period.

The Management Fee is reduced by a portion of the monitoring fees, transaction fees, break-up fees and certain other fees paid by portfolio companies to a General Partner. To the extent that such an offset credit would reduce the Management Fee for a given period below zero, the credit will be carried forward for future application against payable Management Fees. To the extent any such excess remains unapplied upon dissolution of a Fund, each partner of

such Fund will receive its share of such unapplied excess, unless such partner elects not to receive its share.

Silver Oak and/or its affiliates generally have discretion over whether to charge transaction fees or certain other fees to a portfolio company and, if so, the fee rate or amount. The receipt of such fees may give rise to conflicts of interest between the Funds, on the one hand, and Silver Oak and/or its affiliates on the other hand.

As permitted under the Governing Documents for each Fund, the relevant General Partner may waive or reduce a portion of the Management Fee in exchange for a reduction in the General Partner's capital contribution obligation and/or a corresponding interest in Fund profits. The limited partners of a Fund may be required to make a *pro rata* contribution according to their respective commitments to fund any contribution that would otherwise be required of the relevant General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver or reduction may result in an acceleration of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above.

Carried Interest

Each General Partner will receive a carried interest with respect to the relevant Fund equal to 20% of all profits, subject to a specified preferred return with a related General Partner catch-up provision, as more fully described in the Governing Documents. The carried interest distributed to a General Partner is subject to a potential giveback at the end of the life of a Fund if the relevant General Partner has received excess cumulative distributions.

It is expected that any future Funds will have a similar fee structure.

Other Information

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Limited Partnership Agreement, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in the Funds.

Silver Oak generally has the right to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by a direct exemption, investment through a separate class of limited partnership interests of a given Fund, or through other Funds which co-invest with the relevant investor's Fund.

Principals or other employees of Silver Oak may receive a portion of the Management Fee, carried interest or other compensation received by the General Partner.

In addition to the Management Fee and carried interest payable to the General Partners, each Fund bears certain expenses. Each Fund generally will pay all other costs and expenses of the Fund that are not reimbursed by portfolio companies, generally including legal, auditing, consulting, financing, accounting and custodian fees and expenses; expenses associated with the

Fund's financial statements, tax returns and Schedule K-1s; out-of-pocket expenses incurred in connection with transactions not consummated; expenses of the advisory board and annual meetings of the limited partners; insurance (including directors and officers insurance); other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against the Fund.

Additionally, as described more fully in the applicable Memorandum, certain Services Executive Partners (as defined below) that are not employees of Silver Oak may provide services to certain Silver Oak portfolio companies, and, in connection with such services, such Services Executive Partners may receive compensation from such Silver Oak portfolio companies that is not subject to the Management Fee offsets described above.

Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices."

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," each General Partner receives a carried interest allocation on certain realized profits in the Funds. A carried interest allocation represents an investment adviser's compensation based on a percentage of net profits of the funds it manages. Silver Oak may advise vehicles that are not subject to Management Fees or a carried interest. While this practice could present a conflict of interest, Silver Oak does not believe this arrangement poses a conflict of interest in practice because such vehicles invest alongside the Funds at substantially the same time and on substantially the same terms as the Funds and dispose of such investments in a similar manner. See "Methods of Analysis, Investment Strategies and Risk of Loss," for further discussion of conflicts of interest.

TYPES OF CLIENTS

Silver Oak provides investment advice to Funds. Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Silver Oak and its affiliates.

Each Fund has a minimum investment amount of \$5 million for third-party investors. Generally, investors must be "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either "qualified purchasers" or "knowledgeable employees" as defined under the Investment Company Act of 1940, as amended. Silver Oak may waive such minimum investment amounts and qualification requirements.

The General Partners select which investors are permitted to co-invest in certain portfolio companies based on various factors, including the ability of the investor to fund and complete the

investment on a timely basis, historically expressed interest in co-investments, alignment of management interests and for strategic or other reasons.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Each Fund's focus is buyout investments in lower middle market companies in the business, consumer and healthcare services industries.

The following is a summary of the investment strategies and methods of analysis generally employed by Silver Oak on behalf of the Funds. More detailed descriptions of the Funds' investment strategies and methods of analysis are included in the relevant Memorandum and other Governing Documents for each Fund. There can be no assurance that Silver Oak will achieve the investment objectives of the Funds and a loss of investment is possible.

Investment and Operating Strategy

Silver Oak focuses primarily on buyouts and control-oriented investments in U.S.-based lower middle market companies, typically with EBITDA of \$4 million to \$25 million, in the business, consumer and healthcare service sectors.

This strategy is characterized by the following key elements:

- Sector focus
- Research-driven investment approach
- Comprehensive due diligence process
- Disciplined value creation and active portfolio management

Sector Focus. Silver Oak intends to make primarily control-oriented investments in leveraged acquisition, recapitalization, build-up, and growth transactions in companies with the following characteristics:

- Lower middle market companies. Silver Oak seeks to make investments in lower middle market companies, generally with revenue of \$15 million to \$200 million at the time of acquisition.
- Service businesses. Silver Oak intends to focus on investments in service businesses. Silver Oak believes these companies often provide services on a third-party basis to replace activities historically conducted in-house. The decision to outsource services to a third-party provider is driven by one or more components of the outsourcing value proposition: (i) conversion of fixed costs to variable costs, (ii) reduction of capital tied up in non-core activities, (iii) mitigation of regulatory and compliance risks, (iv) cost benefits due to the outsourced provider achieving economies of scale, (v) improved service quality, and (vi) the ability to focus on core competencies. The increasing use

of outsourcing is a key driver of long-term growth and value creation for services companies.

Research-Driven Investment Approach. The foundation of Silver Oak’s differentiated investment approach is its proprietary research process, augmented by Silver Oak’s extensive professional network built during the team’s 56 years of collective private equity experience. This network includes current and former executives of service businesses (“**Services Executive Partners**” or “**SEPs**”) who act as additional resources in sourcing, diligence, and post-investment value creation. Silver Oak seeks to acquire platform companies at multiples of 4-7x EBITDA.

Due Diligence Process. Silver Oak typically seeks to invest in service businesses with enterprise values of less than \$150 million. Silver Oak has developed investment criteria intended to evaluate each targeted sector and each investment opportunity consistently. Such criteria include:

- Low customer concentration
- Volume growth faster than real GDP growth with low cyclicity
- High recurring unit volumes
- Unit pricing power compared with consumer pricing index
- Low operating margin variability
- Low incremental working capital needs
- Low capital expenditures
- Low to moderate penetration of outsourced service
- Fragmented industry
- Ability to apply technology to drive down unit cost with scale
- Cost advantage from global sourcing of labor
- Attractive buy-in valuation

Disciplined Value Creation and Active Portfolio Management. Silver Oak has extensive experience working with management teams to drive operating results in lower middle market services companies and creates tailored growth plans for each portfolio company. These growth plans cover six aspects that Silver Oak believes are important to create value for the investment:

- Strategy and management team
- Operations and technological improvements
- Sales and marketing
- Financial and metrics management
- Add-on acquisitions

- Exit planning

Risks of Investment

The Funds and their investors bear the risk of loss that Silver Oak's investment strategy entails. Although the following risk factors are generally applicable to Silver Oak's Funds, investors should also refer to each Fund's Memorandum for risk factors specific to their Fund. The risks involved with Silver Oak's investment strategy and an investment in the Funds include, but are not limited to:

Business Risks. Each Fund's investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance. The performance of Silver Oak's prior investments is not necessarily indicative of a Fund's future results. While Silver Oak intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that positive returns will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities. The securities in which the Funds will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Concentration of Investments. The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, limited partners will be required to pay annual Management Fees during the commitment period based on the entire amount of their commitments.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the annual Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from a Fund's capital, including, without limitation, unfunded commitments.

Leveraged Investments. The Funds may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs to the Fund that may not be covered by distributions made to a Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be tight at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency.

Limited Transferability of Fund Interests. There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Governing Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to the partners.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of the Funds will be vested entirely with the General Partner, and a Fund's future profitability will depend largely upon the business and investment acumen of Silver Oak. The loss or reduction of service of one or more of the principals of Silver Oak could have an adverse effect on the Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of a Fund will depend entirely on the actions of the General Partner. Although the General Partners will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with a Fund's objectives.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Conflicting Investor Interests. Limited partners may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Fund and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that a Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. The Funds may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the partners.

Additional risks of non-U.S. investments include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Significant Default Penalties. The Governing Documents for each Fund provide for significant penalties and other adverse consequences in the event a limited partner defaults on its

commitment or other payment obligations. In addition to losing its right to potential distributions from a Fund, a defaulting limited partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

Dilution. Limited partners admitted to a Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing limited partners in such investments. Although any such new limited partner will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of a Fund's existing investments at the time of such contributions.

Director Liability. The Funds will often obtain the right to appoint one or more representatives to the board of directors of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately such Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn. The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, continues to be restricted. This may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon portfolio companies in which a Fund makes investments.

Conflicts of Interest

During the commitment period of a Fund, Silver Oak pursues all appropriate investment opportunities exclusively through such Fund, subject to certain limited exceptions. However, Silver Oak may manage other investment funds and investments similar to those in which the Funds invest, and may direct certain relevant investment opportunities to those investment funds and investments. Silver Oak's investment staff will continue to manage and monitor such investment funds and investments. Silver Oak's significant investment in the Funds, as well as Silver Oak's interest in the carried interest, operate to align, to some extent, the interest of Silver Oak with the interest of the partners, although Silver Oak may have economic interests in such other investment funds and investments as well and receive Management Fees and carried interests relating to these interests. Such other investment funds and investments that Silver Oak may control may compete with the Funds or companies acquired by the Funds. Following the

commitment period of a Fund, Silver Oak may and likely will focus its investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, Silver Oak will be presented with investment opportunities that would be suitable for more than one of the Funds and other investment vehicles operated by advisory affiliates of Silver Oak. In determining which investment vehicles should participate in such investment opportunities, Silver Oak and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Silver Oak attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Silver Oak's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among Funds in a fair and equitable manner. Where necessary, Silver Oak consults and receives consent to conflicts from an advisory board consisting of limited partners of the Funds and such other investment vehicles.

Silver Oak may advise co-invest vehicles that invest alongside the Funds in portfolio companies. Certain third party investors may be permitted to participate in such co-invest vehicles or in some cases co-invest directly in a particular portfolio company. Any co-invest opportunities are generally only offered to co-invest vehicles or direct co-investors if there is excess capacity in a particular investment opportunity (*i.e.*, if Silver Oak has determined not to purchase the entire investment opportunity on behalf of a Fund). Silver Oak will select which investors are permitted to invest in co-invest vehicles or co-invest directly in a particular portfolio company based on various factors, including the ability of the investor to fund and complete the investment on a timely basis, historically expressed interest in co-investments, alignment of management interests and for strategic or other reasons. Since it is Silver Oak's policy to give the Funds priority with respect to investment opportunities, the co-invest vehicles and third party co-investors likely will only be offered co-invest opportunities from time to time to the extent an investment opportunity is not fully allocated to the Funds.

Because each General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for Silver Oak to cause a Fund to make riskier or more speculative investments than would otherwise be the case. However, Silver Oak believes that the carried interest does not create a conflict of interest with respect to the Funds and instead operates to align the interests of Silver Oak with that of the Funds.

As a result of the Funds' controlling interests in portfolio companies, Silver Oak and/or its affiliates typically have the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Silver Oak and/or its affiliates. In addition, portfolio companies may from time to time pay certain fees to third party consultants (including consultants introduced or arranged by Silver Oak and/or its affiliates that may regularly provide services to one or more portfolio companies), and such fees will not offset the Management Fee as described herein. Any of these situations subjects Silver Oak and/or its affiliates to potential conflicts of interest.

Since the General Partners are permitted to retain certain fees (as described under "Fees and Compensation") in connection with Fund investments, Silver Oak could have a conflict of

interest in connection with approving transactions and setting such compensation. Silver Oak manages such conflicts by partially offsetting the Management Fee with such fees. In addition, the potential conflict is further mitigated by the fact that such fees generally are negotiated with the applicable portfolio company's management team and other co-investors, as applicable.

DISCIPLINARY INFORMATION

Silver Oak and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described under "Advisory Business" above, Silver Oak Services Partners is affiliated with the General Partners, which are registered with the SEC under the Advisers Act pursuant to Silver Oak Services Partners' registration in accordance with SEC guidance. The General Partners operate as a single advisory business together with Silver Oak Services Partners and serve as general partners of Funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Silver Oak has adopted the Silver Oak Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Silver Oak principals and employees and addresses conflicts that arise from personal trading. The Code requires Silver Oak personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of any initial public offering or limited offering; and
- comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to Jeffrey M. Mann, the Chief Compliance Officer, at (847) 332-0400. Personal securities transactions by Silver Oak personnel are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Silver Oak and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Silver Oak and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Silver Oak.

Accordingly, should Silver Oak or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Silver Oak would be prohibited from communicating such information to clients, and Silver Oak will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Silver Oak personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of Silver Oak and its affiliates may directly or indirectly own an interest in the Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Funds.

The Funds may invest together with other private investment funds advised by an affiliated adviser of Silver Oak in the manner set forth in the applicable Limited Partnership Agreement. Silver Oak will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the underlying documents for the relevant Fund and the Silver Oak investment allocation policy.

From time to time, a General Partner may borrow funds on behalf of a Fund and contribute such borrowed amounts to the Fund as a special capital contribution for investment, to be returned to the applicable General Partner at a later date. Interest in connection with such borrowing is borne by the Fund as a Fund expense, consistent with the applicable Limited Partnership Agreement (or other Governing Document) and the expense policy described under “Fees and Compensation.” In borrowing on behalf of a Fund, the applicable General Partner is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund. The General Partner will effect any such borrowings in a manner it believes to be fair and equitable to the applicable Fund, consistent with the General Partner’s obligations to the Fund and the Limited Partnership Agreement (or other Governing Document).

BROKERAGE PRACTICES

Silver Oak focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Silver Oak may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Silver Oak does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Silver Oak sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Silver Oak. In such event, Silver Oak will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Silver Oak may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii)

commissions charged; (iii) the reputation of the firm being considered; (iv) gross compensation paid to the broker; and (v) the financial strength of the broker.

Silver Oak has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Silver Oak generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Silver Oak seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Silver Oak generally does not make use of such services at the current time and has not made use of such services since its inception. As a general matter, research provided by these brokers would be used to service all of Silver Oak’s Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Silver Oak, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund.

To the extent that Silver Oak allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds’ interest in receiving most favorable execution.

Silver Oak does not anticipate engaging in significant public securities transactions; however, to the extent that Silver Oak engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for any Funds are completed independently, Silver Oak may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Silver Oak may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs.

When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order. Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to the Funds over time.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Silver Oak closely monitors companies in which the Funds invest, and the Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Silver Oak will generally provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each partner's U.S. tax returns, (iv) descriptive investment information for each portfolio company quarterly, (v) a statement of the aggregate commitments of the Fund quarterly and (vi) certain other information as set forth in the applicable Limited Partnership Agreement.

CLIENT REFERRALS AND OTHER COMPENSATION

Silver Oak and/or its affiliates may provide certain business or consulting services to companies in a Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation may, in many cases, offset a portion of the Management Fees paid by a Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees are in addition to Management Fees. Silver Oak or certain of its affiliates may have the right to receive certain non-investment advisory fees in connection with the Funds' investments and portfolio companies. For example, Silver Oak may be entitled to receive (i) certain professional services or related fees from a portfolio company in connection with certain transactions and (ii) certain monitoring or consulting fees from a portfolio company for services provided to the portfolio company. A portion of such fees generally is offset against the Management Fee.

From time to time, Silver Oak may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by Silver Oak directly or indirectly through an offset against the Management Fee.

CUSTODY

As required by the Advisers Act, Silver Oak has established an account with the following qualified custodian to hold funds and securities on behalf of the Funds: RBS Citizens, N.A., One Citizens Plaza, Providence, RI 02903-1339.

INVESTMENT DISCRETION

Silver Oak has discretionary authority to manage investments on behalf of the Funds. As a general policy, Silver Oak does not allow clients to place limitations on this authority. Pursuant to the terms of the Limited Partnership Agreements, however, Silver Oak may enter into "side letter" arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the

right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Silver Oak assumes this discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of the Funds.

VOTING CLIENT SECURITIES

Silver Oak has adopted the Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for a Fund’s portfolio investments. The Proxy Policy seeks to ensure that Silver Oak votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Silver Oak generally believes its interests are aligned with those of a Fund’s investors through the principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Silver Oak may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory board may approve Silver Oak’s vote in a particular solicitation. Silver Oak does not consider service on portfolio company boards by Silver Oak personnel or Silver Oak’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Silver Oak when voting proxies on behalf of a Fund. If you would like a copy of Silver Oak’s complete Proxy Policy or information regarding how Silver Oak voted proxies for particular portfolio companies, please contact Jeffrey M. Mann, the Chief Compliance Officer, at (847) 332-0400, and it will be provided to you at no charge.

FINANCIAL INFORMATION

Silver Oak does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.