

# **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, or by email at [info@silverleaf.com](mailto: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](http://www.adviserinfo.sec.gov). Registration with the SEC does not imply a certain level of skill or training.

**February 29, 2024**

# Material Changes

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## **Material Changes since the Last Update**

There have been no material changes since our last annual updating amendment on September 11, 2023.

## **Full Brochure Availability**

The Firm Brochure for Silverleaf Capital Partners, LLC is available without charge by contacting 901-259-3345 or [info@silverleaf.com](mailto:info@silverleaf.com).

# Table of Contents

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<b>Material Changes .....</b>	<b>2</b>
Material Changes since the Last Update.....	2
<b>Advisory Business .....</b>	<b>6</b>
Firm Description.....	6
Principal Owners.....	6
Types of Advisory Services.....	6
Tailored Relationships.....	8
Assets Under Management.....	8
<b>Fees and Compensation .....</b>	<b>8</b>
Fee Schedule.....	9
Fee Billing .....	9
Direct Debit of Fees .....	9
Other Fees .....	9
<b>Performance-Based Fees.....</b>	<b>10</b>
<b>Types of Clients.....</b>	<b>10</b>
Description.....	10
Account Minimums.....	10
<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>11</b>
Methods of Analysis .....	11
Investment Strategies .....	11
Risk of Loss .....	12
<b>Disciplinary Information .....</b>	<b>14</b>
<b>Other Financial Industry Activities and Affiliations .....</b>	<b>14</b>
Financial Industry Activities .....	14

Affiliations.....	14
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>	<b>14</b>
Code of Ethics .....	14
Participation or Interest in Client Transactions.....	15
Personal Trading.....	15
<b>Brokerage Practices.....</b>	<b>15</b>
Selecting Brokerage Firms .....	15
Directed Brokerage.....	15
Best Execution.....	15
Soft Dollars .....	16
Order Aggregation.....	16
<b>Review of Accounts.....</b>	<b>16</b>
Periodic Reviews.....	16
Review Triggers.....	16
Regular Reports.....	16
Performance Reports .....	17
Net Worth Statements .....	17
<b>Client Referrals and Other Compensation.....</b>	<b>17</b>
<b>Custody .....</b>	<b>17</b>
<b>Investment Discretion.....</b>	<b>18</b>
Discretionary Authority for Trading.....	18
Limited Power of Attorney.....	18
<b>Voting Client Securities .....</b>	<b>18</b>
<b>Financial Information .....</b>	<b>18</b>



# Advisory Business

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## Firm Description

Silverleaf Capital Partners, LLC was founded in 2004 by William D. Patterson. There are currently four employees including two portfolio managers, one with the Chartered Financial Analyst (CFA®) designation and one as a Certified Investment Management Analyst (CIMA®), one Investment Advisor, who holds the Certified Financial Planner designation (CFP®), one Chief Compliance Officer and Director of Operations and Client Planning, who holds the Certified Financial Planner designation (CFP®). 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, charitable organizations, 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 can 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's compensation is solely from fees paid directly by clients. The firm does not receive commissions 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, TD Ameritrade, 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 will 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 adviser. 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

PFICO, LLC, John B. Russell, James M. Cousins, and Broc P. Kreitz are the owners 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, lifestyle financial planning, 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 income or growth and income portfolios. Finally, long-term growth oriented clients have access to our growth, aggressive growth, best ideas and options-based portfolios. Clients can invest in one or all of our investment portfolios, depending on their specific needs, time horizons, and overall tolerance for risk. For more information, see the *Methods of Analysis* section of this brochure.

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 and Financial Planning**

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.

### **Insurance Consulting**

Silverleaf Capital Partners, LLC has an unaffiliated relationship with DPL Financial Partners, LLC ("DPL"). By working with DPL, Silverleaf provides insurance reviews/analyses, education, and insurance solutions in a conflict free manner.

DPL is a third-party provider of a platform of insurance consultancy services to SEC-registered investment advisers ("RIAs") that have clients with a current or future need for insurance products. DPL offers RIAs memberships to its platform for a fixed annual fee and, through its licensed insurance agents who are also registered representatives of The Leaders Group, Inc. ("The Leaders Group"), an unaffiliated SEC-registered broker-dealer and FINRA member, offers members a variety of services relating to fee-based insurance products. These services include, among others, providing members with analyses of their current methodology for evaluating client insurance needs, educating and acting as a resource to members regarding insurance products generally and specific insurance products owned by their clients or that their clients are considering purchasing, and providing members access to and product marketing support regarding fee-based products that insurers have agreed to offer to members' clients through DPL's platform. For providing platform services to RIAs, DPL receives service

fees from the insurers that offer their fee-based products through the platform. These service fees are based on the insurance premiums received by the insurers. **DPL is licensed as an insurance producer in Kentucky and other jurisdictions where required to perform the platform services. Its representatives are also licensed as insurance producers, appointed as insurance agents of the insurers offering their products through the platform, and registered representatives of The Leaders Group.**

## Held Away Assets

Silverleaf Capital Partners, LLC utilizes Pontera, a third-party platform, to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows Silverleaf Capital Partners, LLC to avoid being considered to have custody of client funds since the Firm does not have direct access to client log-in credentials to affect trades. Silverleaf Capital Partners, LLC is not affiliated with the Pontera platform in any way and receives no compensation from them for using their platform. In order for Silverleaf Capital Partners, LLC to manage held away assets (assets not held at Fidelity, Schwab or TD Ameritrade) a link will be provided to the client allowing them to connect an account(s) to the platform. Once a client account is connected to the platform, Silverleaf Capital Partners, LLC will review the current account allocations. When deemed necessary, Silverleaf Capital Partners, LLC will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance.

## Tailored Relationships

At Silverleaf Capital Partners, LLC, advisory services are tailored to the individual needs of the 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 can 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.

## Assets Under Management

As of February 29, 2024, Silverleaf Capital Partners, LLC managed \$403,372,774 in assets for 626 accounts or 179 client households. \$373,568,089 is managed on a discretionary basis and \$29,804,685 on a non-discretionary basis.

# Fees and Compensation

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## 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 advisory fees are billed quarterly in advance based on the prior quarter end aggregate market value. For a 1.00% annual fee, a client will be charged 0.25% on the account market value 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. Upon termination, a portion of a client's pre-paid management fee will be refunded to them. The refund is determined by the amount of days remaining in the billing period and what the daily management fee for the billing period was for the client. The refund will be credited back to the client's account or the client will be mailed a check. For clients with a margin balance on the billing date, Silverleaf will bill on the higher margin value as opposed to the net market value. This does create a conflict of interest as Silverleaf will earn a higher fee if the client is not encouraged to paydown or payoff the margin balance. In a Silverleaf managed portfolio, cash is considered as asset class and as a result it will be included in the fee calculation.

Our agreement can 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 and on an annual basis for performance fee billings.

## Other Fees

In connection with our advisory services, clients will 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. However, our investment advice affects transactions that are performed at a broker-dealer or custodian, and the fees will be levied to clients. Please see Brokerage Practices for

more information on our approach to clients' brokerage and custody options. In addition, we often use exchange traded funds in implementing our investment portfolios which have varying rates of expense ratios.

## Performance-Based Fees

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Performance-based fees are based on a percentage of the capital appreciation of the assets in a fund or account. Silverleaf Capital Partners, LLC also offers certain "Qualified Clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, a flat .50% base asset management fee plus an additional performance fee of 10% of the annual cumulative net profit to the account. The performance fee is payable and billed once per year following the calendar year end and is only paid if the annual cumulative net profit exceeds the current "high water mark". Contributions and withdrawals are excluded from the "high water mark" calculation. Because Silverleaf Capital Partners, LLC manages accounts that are charged an asset-based fee and accounts that are charged a performance-based fee, there is an incentive for Silverleaf to favor accounts for which we receive a performance-based fee and/or to make investments that are riskier or more speculative than would be the case in the absence of such a compensation framework. Please refer to the *Brokerage Practices* section for additional information on how Silverleaf mitigates such presented conflicts by aggregating orders.

## Types of Clients

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### Description

Silverleaf Capital Partners, LLC provides portfolio management and investment advice to individuals, high net worth individuals, families, trusts, and estates. Our services would also benefit charitable organizations, non-profit organizations, foundations, corporations and retirement plans (included but not limited to pension and profit-sharing plans). Advice and service often extends to entities related to the client, such as businesses and charitable organizations. Client relationships will 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

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## Methods of Analysis

At Silverleaf Capital Partners, LLC, we utilize fundamental analysis of macroeconomic trends (GDP, LEI, 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, cash and currency). Our Investment Committee (IC) discusses these themes to determine where and how we want to deploy portfolio assets for participation. Further, we combine a macroeconomic indicator based on the Conference Board's Leading Economic Index with technical analysis, including moving averages, relative strength and Moving Average Convergence/Divergence (MACD) and volumes, to determine current directional trend and historical effectiveness of trend identification. We primarily use Exchange Traded Funds (ETFs) and individual stocks for the implementation of the vast majority of our investment portfolios. If our internal signals show high odds of an economic recession and weak markets, Silverleaf client portfolios could potentially hold a large amount of cash.

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, Bank Credit Analyst, financial newspapers 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 and individual stocks 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 with regard to ETFs. Fundamental analysis of individual stocks includes but is not limited to free cash flow, relative valuations, and dividend yield and policy. Although ETFs and individual stocks are the primary investment vehicles, we seek to find the best investment vehicle to capture our objective opportunity while maintaining liquidity for our portfolios, including the use of individual stock and ETF call and put options.

Strategy	Goal	Typical Holdings
Fixed Income Portfolio	Income Generation	Fixed Income
Income Portfolio	Income Generation	Fixed Income and Equity
Growth & Income Portfolio	Growth and Income	Fixed Income and Equity

Aggressive Growth Portfolio	Growth	Equity
Growth Portfolio	Growth	Fixed Income and Equity
Options Strategy	Growth and Income	Stock and ETF Options
Amplified Growth & Income	Growth and Income	ETFs and Options
Best Ideas	Growth	Concentrated 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 typically 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.

**Exchange Traded Fund 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.

**Options Risk:** Options are leveraged products that involve risk and are not suitable for all investors. Writing and purchasing call and put options are highly specialized activities and entail greater than ordinary investment risks. The successful use of options depends in part on the future price fluctuations and the degree of correlation between the options and the securities markets. The value of positions in options fluctuates in response to changes in the value of the underlying security. There is also risk losing all or part of the cash paid for purchasing call and put options. Assets covering written options cannot be sold while the option is outstanding, unless replaced with similar assets. As a result, there is a possibility that segregation of a large percentage of the assets could affect its portfolio management as well as the ability of to meet other current obligations. Unusual market conditions or lack of a ready market for any particular option at a specific time may reduce the effectiveness of the option strategies, and for these and other reasons option strategies may not reduce the volatility to the extent desired. A reduction in holdings of put options may result in an increased exposure to a market decline. Before committing capital to any options strategy, read the "Characteristics & Risks of Standardized Options" provided by the Options Industry Council to consider whether options are appropriate for your financial position and risk tolerance.

# Disciplinary Information

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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

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### Financial Industry Activities

Silverleaf Capital Partners, LLC does not participate in any other industry business activities.

### Affiliations

Silverleaf Capital Partners, LLC is 100% owned by PFICO, LLC, John B. Russell, James M. Cousins, and Broc P. Kreitz and does not have any affiliations.

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

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### 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, CIMA, and CFP designees are also held to a Code of Ethics as outlined by the CFA Institute, Investment Management Consultants Association, and the Certified Financial Planner Board. 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 will 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 is allowed to 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 will also initiate inquiries of access persons regarding personal securities trading, as deemed necessary. 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.

# Brokerage Practices

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## 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 can 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 will 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 semiannually. 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 whenever possible and when advantageous for the clients 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 pro-rata 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 pro-rata allocation of the executed order.

# Review of Accounts

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## 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 will 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 minimum, quarterly appraisals of positions 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. Written 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

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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 written agreements with our referrals source that 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

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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

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## 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 can promptly implement the investment policy they have approved.

## 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

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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

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