

**INVESTMENT ADVISER BROCHURE**

**PART 2A OF FORM ADV**

**SILVER OAK SERVICES PARTNERS, LLC**

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**March 28, 2024**

**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](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

Silver Oak Services Partners filed its most recent Brochure on November 30, 2023. This annual amendment filing updates the chief compliance officer of the business practices of Silver Oak Services Partners and its affiliates.

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## ADVISORY BUSINESS

Silver Oak Services Partners, LLC (“**Silver Oak Services Partners**”), a 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 II, L.P.
- Silver Oak Management III, L.P.
- Silver Oak Management IV, L.P.
- Silver Oak CCS Management, L.P.
- Silver Oak Velocity GP, L.P.

(each, a “**General Partner**,” and collectively, together with any future affiliated general partner entities, the “**General Partners**,” and collectively with Silver Oak Services Partners and their affiliated entities, “**Silver Oak**”)

Each General Partner listed above is subject to 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.

Each General Partner serves as general partner to one or more Funds (as defined below) and has the authority to make investment decisions on behalf of the respective Fund(s) it advises.

Silver Oak provides discretionary investment advisory services to its clients, which consist of investment funds privately offered to qualified investors in the United States and elsewhere. Silver Oak’s clients include the following (each, a “**Fund**,” and collectively together with any future private investment fund to which Silver Oak provides investment advisory services, the “**Funds**”):

- Silver Oak Services Partners II, L.P. (“**Fund II**”)
- Silver Oak Services Partners III, L.P. (“**Main Fund III**”)
- Silver Oak Services Partners III-A, L.P. (“**Fund III-A**” and together with Main Fund III, “**Fund III**”)
- Silver Oak Services Partners IV, L.P. (“**Main Fund IV**”)
- Silver Oak Services Partners IV-A, L.P. (“**Fund IV-A**” and together with Main Fund IV, “**Fund IV**”)
- Silver Oak CCS SPV, L.P. (“**CCS SPV**”)

- Silver Oak Velocity SPV, L.P. (“**Velocity SPV**”)

The Funds are private equity funds and generally invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” Silver Oak’s investment advisory services to the 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. Where such investments consist of portfolio companies, the senior principals or other personnel of Silver Oak often will serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Silver Oak’s advisory services for each Fund are detailed in the applicable offering memorandum or other offering documents (each, a “**Memorandum**”) and limited partnership or other operating agreements of the Funds or governing documents (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 the Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Silver Oak and any investor. The Funds or Silver Oak have entered into “side letter” or similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of a Fund’s Governing Documents with respect to such investors (each, a “**Side Letter**”).

Additionally, as permitted by the relevant Governing Documents, Silver Oak expects to provide (or agree to provide) investment or co-investment opportunities to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Silver Oak personnel and/or certain other persons associated with Silver Oak and/or its affiliates, 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, for strategic and other reasons, co-investors will purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. 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, but in certain instances could be well after the Fund’s initial purchase. Where appropriate, and in Silver Oak’s sole discretion, Silver Oak is authorized to charge interest on the purchase to the co-investor (or otherwise equitably adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

As of December 31, 2023, Silver Oak managed \$1,301,426,644 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 the provision of advisory services to its clients. 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 the Funds and such additional compensation will offset, in whole or in part, the Management Fees (as defined below) otherwise payable to the General Partners to the extent provided by the relevant Governing Documents. Investors in the Funds also bear certain fund expenses, as described below. The following is a general description of fees, compensation and expenses of the Funds. Differences exist among Funds, and certain Funds may not pay certain fees or expenses, or compensation to their respective General Partner(s), that other Funds charge. Prospective and existing Fund investors should review a Fund's Governing Documents for details regarding its fees, compensation and expenses.

### Management Fees

Each Fund pays the applicable General Partner a management fee (the “**Management Fee**”) equal to 0.75-2% on an annual basis of aggregate investor capital commitments (“**Commitments**”). Except with regards to CCS SPV and Velocity SPV, commencing with the first Management Fee due date and until a date specified in the Governing Documents (the “**Stepdown Date**”), the Management Fee will equal 0.75-2% of (i) the aggregate investment contributions and unrecouped bridge financing contributions (if applicable), less (ii) (A) in the case of Fund II, and the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or completely written off for U.S. federal income tax purposes or have been written-down to an amount equal to 50% or less of the initial cost basis of such investment, or (B) in the case of Fund III and Fund IV, the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or completely written off for U.S. federal income tax purposes but only if and to the extent such investment has been written down on a cumulative basis (after giving effect to any write ups) to an amount that is less than 50% of the initial cost basis of such investment, in each case (x) as determined on the first day of the period with respect to which a determination is being made, and (y) only with respect to Partners not designated as “affiliated partners”; provided that investments (other than bridge financings) in a portfolio company will be treated as having been disposed of or completely written off or written down (each, an “**Impaired Value Investment**”) only to the extent that, as of the date of any such disposition or write-off or write down, the aggregate fair market value of all remaining Fund investments (excluding bridge financings) in such portfolio company is less than the Fund's aggregate investment contributions made with respect to such portfolio company. Unlike the other Funds, CCS SPV and Velocity SPV do not have an investment period and, as such, CCS SPV and Velocity SPV each pay Management Fee solely on the post-Stepdown Date formulation.

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 will be payable until proceeds from 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. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a writedown, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Governing Documents. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Management Fees otherwise payable relating to such investment will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

For the avoidance of doubt, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of Impaired Value Investments. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions (*e.g.*, those resulting from a dividend recapitalization) or reorganization, restructurings, roll-over investment, extraordinary dividends or similar transactions or in circumstances where one or more other Fund(s) divest their respective investment(s) in the relevant portfolio company, whether in whole or in part, in each case in circumstances that do not result in the complete disposition of the relevant Fund's interest therein, and even in cases where the value of the Fund's investment or the Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction.

In many circumstances, the post-Stepdown Date Management Fee base will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period.

The applicable Fund's Governing Documents set forth the full list of terms under which Management Fees for such Fund will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in such Fund's Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

To the extent specified in a Fund's Governing Documents, 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, in each case after giving effect to any applicable carried interest allocations. The remaining amount of such fees will be retained by Silver Oak. To the extent that such an offset credit would reduce the Management Fee for the relevant 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. Unless otherwise agreed with investors, monitoring fees, transaction fees, break-up fees and other fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset.

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, method or amount, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such fees will give rise to potential conflicts of interest between the Funds, on the one hand, and Silver Oak and/or its affiliates on the other hand. Portfolio company related fees may include amounts prepaid in anticipation of future services. Although such prepaid fees generally will be based on the anticipated level and duration of services that Silver Oak believes at the time of such prepayment are likely to be provided to the portfolio company over time, they have the potential to differ from the amount that is ultimately incurred with respect to services ultimately provided to such portfolio company.

As permitted under the Governing Documents for each Fund, the relevant General Partner is permitted to 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, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The limited partners of a Fund would, in such circumstances, 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 (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by a General Partner and/or the timing or receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

Each of the foregoing conditions is expected to reduce the amount of fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to Silver



Oak over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for Silver Oak to seek to increase such amounts.

### **Carried Interest**

Each General Partner will receive a carried interest with respect to the respective Fund(s) it advises equal to 10-25% of all realized profits, subject to certain specified preferred return thresholds with a related General Partner catch-up provision, as more fully described in the applicable Governing Documents. The carried interest distributed to a General Partner is subject to a potential clawback or giveback at the end of the life of a Fund and, in the case of carried interest distributed to the General Partner of Fund IV, at certain interim periods as specified in the Fund IV Governing Documents, in each case, if the relevant General Partner has received excess cumulative distributions.

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

### **Other Information**

The Funds generally invest on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the applicable Governing Documents, over the term of a Fund and investors generally are not permitted to withdraw or redeem interests in a Fund.

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, including Silver Oak and any other person designated by Silver Oak, such as “friends and family” of Silver Oak or its personnel, or other investors meeting certain qualification requirements based on Commitment size or other strategic or relationship factors. The General Partner is permitted to make any such exemption from fees and/or carried interest 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. For example, in instances where a Silver Oak professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Governing Documents, certain General Partners have the right to permit investors, affiliated with Silver Oak or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors.

Principals or other current or former personnel of Silver Oak generally receive salaries and other compensation derived from, and in certain cases including 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. As set forth more fully in the applicable Governing Documents, each Fund generally will pay all fees, costs expenses, liabilities and obligations relating to the Fund’s (and its subsidiaries’ and intermediate entities’) activities, investments and business to the extent not reimbursed by portfolio companies, generally including all reasonable third party fees,

costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the identifying, sourcing (including meeting with consultants, broker dealers, investment banks and other sources of investments), structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases or research services), acquiring, bidding on, owning, managing, monitoring, settling, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving, or otherwise disposing of, as applicable, actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence and deal-sourcing software and service providers, consultants (including environmental, social and governance consultants), executive search firms, data providers, title companies and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Fund, the General Partner or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository (including a depository appointed pursuant to the Alternative Investment Fund Managers Directive (“AIFMD”)), Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act, (as amended), including any law, rule, or regulation related to the implementation thereof, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services as well as costs related to the establishment or maintenance of other services), consulting (including consulting and retainer fees, salary and other compensation paid and benefits provided to consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) insurance (including directors and officers liability, fidelity bond, management liability, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums, representation and warranty and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles and broker fees, costs and commissions) and any consultants or other advisors utilized in the procurement, review and analysis of insurance policies; (ix) filing, title, transfer, survey, registration and other similar fees and expenses; (x) printing, communications, mailing, courier, marketing and publicity; (xi) the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with partners, or any other administrative, compliance or regulatory filings or reports (including Form PF, any filings or reports contemplated by AIFMD and Bureau of Economic Analysis Reports) or other information, including fees, costs and expenses of any third-party service providers and professionals related to the foregoing; (xii) compliance with any financial account reporting regime, including the United

States Foreign Account Tax Compliance Act, the Organization for Economic Co-operation and Development Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, and any fees, costs and expenses of any third-party service providers and professionals related to the foregoing; (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services); (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs and expenses incurred in connection with EU Data Protection Law or FOIA); (xv) to the extent provided in the Limited Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the advisory committee (including any reasonable out-of-pocket costs and expenses incurred by representatives of the General Partner, the advisory committee members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory committee); (xvi) indemnification (including legal and any other fees, costs and expenses incurred in connection with indemnifying any partner or other person or entity and advancing fees, costs and expenses incurred by any such person or entity in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Limited Partnership Agreement), except as otherwise set forth in the Limited Partnership Agreement; (xvii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xviii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference, meeting or webcast with the limited partners, in each case to the extent incurred by the Fund, the General Partner or any other affiliate of the General Partner; (xix) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with the Fund, any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any structuring or restructuring of any Fund entity; (xx) the termination, liquidation, winding up or dissolution of the Fund and any legal entities owned directly or indirectly by the Fund, including portfolio companies and related entities; (xxi) defaults by partners in the payment of any capital contributions; (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner, any entities owned directly or indirectly by the Fund (including portfolio companies of the Fund) and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxiii) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions, anti-terrorism or environmental, social or governance considerations) including any legal, administrator, consulting or other third-party service provider fees, costs and expenses related thereto and any regulatory expenses of the General Partners incurred in connection with the operation of the Fund and any costs and expenses related to compliance with any environmental, social or governance or other investment considerations and policies of the General Partners and/or Silver Oak and/or the validation of any

payments made to the Funds or the General Partners (including as a result of any anti-money laundering laws, rules or regulations); (xxiv) any litigation or governmental inquiry, investigation or proceeding, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the Limited Partnership Agreement; (xxv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated by the Limited Partnership Agreement or any limited partner's name change, internal restructuring or change in registered agent; (xxvi) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, inquiry, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the Limited Partnership Agreement), and any costs and expenses of or related to the "partnership representative" of the Fund; (xxvii) distributions to the partners and other expenses associated with the acquisition, holding and disposition of investments, including extraordinary expenses; (xxviii) unreimbursed expenses and unpaid fees of the Services Executive Partners (as defined below); (xxiv) compliance or regulatory matters, except as otherwise set forth in the Limited Partnership Agreement, including compliance with the Limited Partnership Agreement and/or any letter agreement and costs and expenses incurred in connection with the most-favored-nations process; (xxx) any experts, including independent appraisers engaged by the General Partner in connection with the Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same person as one or more affiliates of the Fund or the General Partner; (xxxi) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of Silver Oak, Services Executive Partners or the General Partner at any trade conference, including any applicable registration fees and exhibition, sponsorship or other presentation fees, costs and expenses; (xxxii) any travel (including commercial air travel, car or ride sharing services and other modes of transportation), lodging, meals or entertainment relating to any of the foregoing in connection with consummated investment and disposition opportunities (including activities related to investment opportunities prior to the initial closing date); (xxxiii) closing dinners; (xxxiv) mementos; (xxxv) the costs of hosting or attending training programs, meetings or other events for portfolio companies and/or their personnel; (xxxvi) costs of workspaces or shared spaces; (xxxvii) after-hours meals or transportation; (xxxviii) advance payments of estimated expense amounts; (xxxix) expenses relating to hiring consultants or portfolio company personnel (e.g., headhunter fees, background checks or relocation expenses); (xl) any placement fees payable to any placement agent (not including any out-of-pocket expenses payable to any placement agent) in connection with the formation of the Fund and (xli) any other fees, costs, expenses, liabilities or obligations approved by the advisory committee. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or monitoring fees, transaction fees, break-up fees and certain other fees are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives

relating to the Fund's strategy, including in Side Letters relating thereto. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

In certain circumstances, the relevant General Partner is expected to permit certain co-investors (which could include co-investment vehicles managed by Silver Oak, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the relevant portfolio company and/or others) to invest in portfolio companies alongside one or more Funds, subject to Silver Oak's related policies and practices and the Governing Documents and/or Side Letters. If a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, no such co-investment vehicle generally will have been formed, and all out-of-pocket expenses incurred in connection with a proposed transaction that is not consummated ("**Broken Deal Expenses**") will be borne by the Fund or Funds selected by the applicable General Partner as proposed investors for such proposed transaction, and not by any potential co-investors that were to have participated in such transaction, to the extent set forth in the applicable Limited Partnership Agreement. To the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its *pro rata* share of such Broken Deal Expenses. Notwithstanding the foregoing, travel expenses incurred in connection with a proposed transaction that is not consummated for Fund II, Fund III, Fund IV and future Funds will be borne directly or indirectly by Silver Oak. To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors or other Funds for the costs of establishing, negotiating or maintaining the facility as a whole. Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. Silver Oak's practice of allocating Broken Deal Expenses among investing Funds is discussed further under "Conflicts of Interest," below.

Brokerage fees are permitted to be incurred in accordance with the practices set forth in "Brokerage Practices."

### **Services Executive Partners**

Additionally, as further described herein and as more fully described in the applicable Governing Documents, certain Services Executive Partners (as defined below) that are not employees of Silver Oak provide services to one or more Funds or certain current or prospective Silver Oak portfolio companies, and, in connection with such services, such Services Executive Partners will receive compensation, including, in certain instances, incentive equity and/or stock

awards from such Silver Oak portfolio companies that is not subject to the Management Fee offsets described above. Such Services Executive Partners generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. These services will also include serving in management or policy-making positions for portfolio companies. The use of Services Executive Partners subjects Silver Oak to potential conflicts of interest, as discussed under “Methods of Analysis, Investment Strategies and Risk of Loss — Conflicts of Interest,” below.

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under “Fees and Compensation,” each General Partner generally receives a carried interest allocation on certain realized profits in the respective Fund(s) it advises. To the extent that Silver Oak has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Silver Oak personnel are assigned varying percentages of carried interest from the Funds, Silver Oak and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. Silver Oak seeks to address the potential for conflicts of interest in these matters with allocation policies and practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Silver Oak or any personnel.

Additionally, Silver Oak could in the future advise vehicles that are not subject to Management Fees or a carried interest. While this practice could present a conflict of interest because Silver Oak has an incentive to favor accounts for which it receives the highest performance based compensation, Silver Oak does not believe this arrangement poses a conflict of interest in practice because such vehicles are expected to 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 — Conflicts of Interest” for further discussion.

### **TYPES OF CLIENTS**

Silver Oak provides investment advice solely to its Fund clients, and references throughout this Brochure to “clients” and to Silver Oak’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of Silver Oak and its affiliates and members of their families, Services Executive Partners, or other service providers retained by Silver Oak or a Fund, as well as executives of portfolio companies.

The relevant General Partner also generally is permitted to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents of the related Fund.

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, (the “**Securities Act**”) and may also be required to be either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act. Silver Oak generally is permitted to waive such minimum investment amounts.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Each Fund’s focus is to make primarily 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 for each Fund. There can be no assurance that Silver Oak will achieve the investment objectives of any 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:

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

*Disciplined Investment 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, typically with EBITDA of \$4 million to \$25 million at the time of acquisition.

Service businesses. Silver Oak intends to primarily 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. Silver Oak believes that 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. Silver Oak believes that 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 investment approach is its proprietary research process, augmented by Silver Oak's extensive professional network built during the team's 120 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 6-9x EBITDA.

*Comprehensive Due Diligence Process.* Silver Oak typically seeks to invest in service businesses typically with EBITDA of \$4 million to \$25 million. Silver Oak has developed a comprehensive set of investment criteria intended to evaluate each targeted sector and each investment opportunity consistently. Such criteria include:

- Availability of acquisition targets with \$4 million - \$25 million of EBITDA
- Attractive buy-in valuations
- High recurring unit volumes
- Volume growth faster than real GDP growth with low cyclicalities
- Low to moderate penetration of outsourced service
- Fragmented industry
- Consistency with macro and sector trends
- Limited risk from technological changes or regulatory/legislative risk
- Limited customer concentration



- High impact from tech / process improvements to drive down unit costs
- Potential to drive revenue growth with high incremental margins
- Low capital intensity
- Strong margins
- Strong pricing power

*Customized 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 value creation playbooks for each portfolio company.

These playbooks cover six aspects that Silver Oak believes are important to create value for each investment:

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

## **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 the Funds, investors should also refer to each Fund's Memorandum for risk factors specific to such Fund. The risks involved with Silver Oak's investment strategy and an investment in a Fund include, but are not limited to:

*Investments in Private Companies.* Each Fund's investment portfolio is expected to 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.

*Control Person Liability.* The Funds are expected to have controlling interests in a number of the portfolio companies. The exercise of control over a company creates additional risks of liability for environmental damage, cartel and/or antitrust issues, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including sanctions and securities laws and regulations) and other types of liability, for which the limited liability generally afforded to investors may be ignored. In particular, if determined to be a direct owner or operator of any of a portfolio company's facilities or operations, a Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related costs. If any such liabilities were to arise, a Fund would suffer significant losses. While the General Partners intend to manage the Funds in a manner that will minimize the exposure of such risks, the possibility of successful claims against a Fund or for which the Fund otherwise may be liable cannot be precluded.

*Active Management.* The Funds, in certain circumstances, will take majority positions, which may be alongside other investors, such as institutions, other pooled investment vehicles and management, while providing equity financing at all stages of a company's lifecycle. Depending upon the amount of equity owned by a Fund, any relevant contractual arrangements between a portfolio company and the Fund, and other relevant factual circumstances, such majority position could result in an extension of the ninety-day bankruptcy preference period to one year with respect to payments made to it. In addition, because of its equity ownership, representation on the board of directors, and/or contractual rights, a Fund could often be thought to control, participate in the management of or influence the conduct of such portfolio companies. This could expose the assets of the Fund to claims by such portfolio company, its other security holders, its creditors or governmental agencies. In addition, investments alongside other investors, including in the event the Fund holds a majority position in such portfolio company, may involve certain additional risks not present in investments where a third party is not involved.

*Non-Controlling Investments.* A Fund is permitted to hold meaningful minority stakes in portfolio companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. In such instances, a Fund may have limited management and/or control rights with respect to the operation of such companies and may be entirely dependent on the decisions of the portfolio company and/or third-party investors. As is the case with minority holdings in general, any such minority stakes that the Fund holds will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company or were otherwise granted control and/or management rights alongside any such company and/or third party investor. Even if a Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or to seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business objectives and goals.

*Investment in Junior Securities.* The securities in which the Funds will invest will often 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; Lack of Diversification.* Each Fund is permitted to invest a significant portion of its aggregate commitments in any single portfolio company (including its direct or indirect subsidiaries), and will likely participate in a limited number of overall investments and, which may be within one industry or one industry segment or within a short period of time. To the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified. If a Fund co-invests with another Fund, a limited partner invested in such other Fund may have exposure to a single portfolio company through more than one Fund, potentially multiplying such limited partner's losses. In addition, during the early stages of a Fund's term, the Fund may hold more concentrated positions than it otherwise would.

Given the principals' experience in certain core industries and the structural requirements of operating the Funds, a Fund is permitted to seek to make investments in a single industry segment, in a limited geographic area, in a single asset type and/or within a short period of time, which could create the conditions for a portfolio of investments that exhibit, amongst themselves, a very high degree of correlated returns. As a result of the foregoing, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry, or the timing of the Fund's investments, may substantially affect the Fund's aggregate return. In particular, the Fund's investments may be concentrated in the business, consumer and healthcare services sectors. Instability, fluctuation or any an overall decline within such sectors will likely not be offset by investments in other sectors not similarly affected, and may negatively impact returns to limited partners. In addition to the foregoing, because the Fund is expected to only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could materially affect total returns. If certain investments perform unfavorably, then in order for the Fund to achieve attractive returns, one or more of its other investments must perform very well, and there can be no assurance that this will occur.

*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, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. However, regardless of the extent to which the commitments of the limited partners are invested (or drawn down to be invested), limited partners will be required to pay annual Management Fees during the investment period based on the entire amount of their Commitments to such Fund and other expenses as set forth in the applicable Governing Documents.

*Broad Investment Guidelines.* While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner reserves the right to pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process or investment techniques as it determines appropriate and consistent with the Governing Documents. A General Partner may pursue investments outside of the industries and sectors in which Silver Oak has previously made investments or has internal operational experience.

*Growth Equity Transactions.* A Fund is permitted to make growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such

investments generally involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

*Impact of Government Regulation, Reimbursement and Reform.* Certain industry segments in which a Fund invests, including various segments of the healthcare industry, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including, in particular, the healthcare industry, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund may invest.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Silver Oak and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Silver Oak and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

*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. While it may be possible for a portfolio company to be sold at any time, it is generally expected that such a sale will not occur until a number of years after the initial investment, and the Fund generally will not be able to realize a profit on an investment in a portfolio company until its sale. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including any 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, the unfunded Commitments.

*Leveraged Investments.* A Fund is permitted to make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies both such 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 (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and potentially will constrain its ability to operate its business as desired and/or 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 such Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its 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 such Fund. Furthermore, should the credit markets be limited or costly at the time a 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. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding.

A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Silver Oak or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

*Bridge Financing.* The Funds are permitted to lend to portfolio companies on a short term, unsecured basis or may otherwise invest in a portfolio company on an interim basis with the expectation of a subsequent refinancing or syndication. For reasons not always in a Fund's control, any such refinancing or syndication may not occur, which would result in such bridge financing or interim investment remaining outstanding longer than anticipated. In such event, a Fund may have more risk associated with such investment, or a larger overall investment in such portfolio company than originally anticipated.

*Subscription Lines.* Certain Funds generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause

or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in a Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Silver Oak for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by

the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

*Investment- and Intermediate Entity-Level Borrowing.* Under the Governing Documents, a Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including, without limitation, to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

*Limited Transferability of Fund Interests.* There will be no public market for a Fund's 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 each Fund's investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to Silver Oak with respect to such investment.



*Projections.* The Funds will use financial projections to help analyze a potential investment, future capital raises and financing for portfolio companies, or for other transactions. In general, projected operating results of a portfolio company will be based primarily on financial projections prepared by each portfolio 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 (in whole or in part) the time the projections are developed. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in any projections will be attained, and actual results may differ significantly from projections.

*Diverse Investor Group.* The investors may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of investors may relate to or arise from, among other matters, the acquisition or structuring of investments in portfolio companies and the timing and disposition of investments in portfolio companies. As a consequence, potential conflicts of interest are expected to arise in connection with decisions made by the General Partner that may be more beneficial for one investor than for another investor, for example, with respect to investors' individual tax situations. In addition, the Funds may make investments in portfolio companies, which may have a negative impact on related or unrelated investments made by investors in transactions outside of the Funds. In selecting and structuring investments in portfolio companies appropriate for the Fund, the General Partner will consider the investment and tax objectives of the Funds and the investors as a group, not the investment, tax or other objectives of any investor individually.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, Silver Oak is permitted to decide to provide additional funds to such portfolio company or consider the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that any Fund will make add on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made), result in a lost opportunity for such Fund to increase its participation in a successful operation or the dilution of the relevant Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest.

*Non-U.S. Investments.* A Fund is permitted to invest in portfolio companies that are organized, headquartered and/or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks 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 such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. 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.

*International Conflicts.* Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

*Significant Adverse Consequences for Default.* The Governing Documents for each Fund provide for significant adverse consequences in the event that 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 such 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. Whether and how to exercise a General Partner's remedies against a defaulting limited partner will be in the sole discretion of the General Partner, and the General Partner may require the non-defaulting limited partners to contribute capital to the Fund to make up for the shortfall created by such defaulting limited partner.

*Failure of Fund to Meet Obligations.* If a limited partner fails to pay installments of its commitment when due, and the amount of capital contributions made by the non-defaulting limited partners plus any borrowings made by a Fund is inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially and adversely affect returns to limited partners (including to non-defaulting limited partners).

*Dilution from Subsequent Closings.* Limited partners admitted to, or that increase their respective commitments 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 generally 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 the Fund's existing investments at the time of such contributions.

*Director Liability.* Silver Oak expects that the Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the portfolio companies (each, a “**Board Representative**”). In cases in which a Fund is not the sole equity owner of a portfolio company, a Board Representative may have duties to persons or entities other than the Fund. Serving on the board of directors (or similar governing body) of a portfolio company will expose a Board Representative, and ultimately the Fund, to potential liability. Portfolio companies may not obtain insurance coverage with respect to such liability, or the insurance coverage that portfolio companies do obtain may be insufficient to adequately protect against such liability. In addition, involvement in any litigation related to such liability may be time consuming and may divert the attention of affected persons from the Fund's investment activities.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. 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. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn 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 businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

*Public Health Emergencies; COVID-19.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market volatility and disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to a Fund.

The ultimate impact of any such health emergency — and the resulting precipitous decline in economic and commercial activity across several of the world's largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to a Fund. The extent of the impact on a Fund and its portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund to

source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy a Fund intends to pursue, all of which could adversely affect a Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of a Fund, its portfolio companies, its general partner and Silver Oak may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

*Limited Access to Information.* Limited partners' rights to information regarding a Fund, the relevant General Partner or Silver Oak generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Silver Oak's control. Decisions by Silver Oak or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Silver Oak and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory committee generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Silver Oak reserves the right to withhold certain information from investors subject to such laws for reasons relating to Silver Oak's public reputation, business strategy or other reasons.

*Material Non-Public Information; Other Regulatory Restrictions.* As a result of the operations of Silver Oak and its affiliates, as well as in connection with officerships or directorships of Silver Oak personnel, Silver Oak frequently comes into possession of confidential or material non-public information. Therefore, Silver Oak and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Silver Oak's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Silver Oak or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Silver Oak's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Silver Oak or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

*Sanctioned Investors.* If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "**Sanctions List**"), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a "freeze" on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund's activities, could materially and adversely affect the Funds.

*Hedging Arrangements; Related Regulations.* A General Partner is permitted (but is not obligated) to endeavor to manage the relevant Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds are permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter ("**OTC**") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging

arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the “CFTC”) or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

*Unfunded Pension Liabilities of Portfolio Companies.* Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although Silver Oak intends to manage each Fund’s investments to minimize any such exposure, a Fund is permitted to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund owns an 80% or greater interest in such portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

*Valuation of Assets.* Generally, the relevant General Partner will determine the value of all the related Fund’s investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund’s investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the relevant Fund’s investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Fund’s investment portfolios and risks, and may also affect the diversification and management of such Fund’s portfolio of investments.

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, Fund, General Partner, Silver Oak or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information;

(iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Silver Oak, the General Partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Silver Oak's, the General Partners', the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Silver Oak or one of its service providers holding its financial or investor data, Silver Oak, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under Silver Oak's policies and practices.

*Privacy and Data Protection Law Compliance Risk.* The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "**Privacy Laws**") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Silver Oak, the General Partner, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions, other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Silver Oak, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Silver Oak, the General Partners, the Funds and/or their portfolio companies.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Fund’s (or any portfolio company’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Silver Oak, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Silver Oak to manage the Funds and their investments, and on the ability of Silver Oak, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of Silver Oak or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution’s services, it is also possible that Silver Oak will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that Silver Oak will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

Many Financial Institutions require, as a condition to using their services (including lending services), that Silver Oak and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although



Silver Oak seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Silver Oak is under no obligation to use a minimum number of Financial Institutions with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

*U.S. Taxation of Carried Interest.* U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or Silver Oak who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Silver Oak to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

*Secondaries and other General Partner-Led Transactions.* There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and Silver Oak reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by Silver Oak following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Silver Oak believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Silver Oak and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio companies; and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Silver Oak or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Silver Oak or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based

compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Silver Oak, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent Silver Oak requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by Silver Oak in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement has the potential to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the Fund investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Silver Oak reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Silver Oak will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Silver Oak reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. Silver Oak is permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

*Social Media and Publicity Risk.* The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Silver Oak, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

## **Conflicts of Interest**

Silver Oak and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, legal, management and other services to Funds and portfolio companies. Silver Oak will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required

by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Silver Oak conducting its activities, the interests of a Fund likely will conflict with the interests of Silver Oak, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Silver Oak will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a Fund, Silver Oak pursues all appropriate investment opportunities exclusively through such Fund, subject to certain limited exceptions set forth in the Governing Documents and Silver Oak's Allocation Policy. However, Silver Oak currently manages, and expects in the future to manage, other investment funds and investments similar to those in which the Funds invest, and expect to direct certain relevant investment opportunities or resources to those investment funds and investments. Silver Oak personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Silver Oak's investment staff will continue to manage and monitor such investment funds and investments until their realization. Silver Oak believes that its significant investment in the Funds, as well as its receipt of carried interest, operate to align, to some extent, the interest of Silver Oak with the interest of the partners, although Silver Oak personnel do have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to such other investment funds and investments. Such other investment funds and investments that Silver Oak personnel control or manage have the potential to compete with the Funds or companies acquired by the Funds. Following the investment period of a Fund, Silver Oak personnel reserve the right to and likely will, focus its investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Silver Oak's sole discretion, Silver Oak and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Silver Oak personnel are permitted to serve on boards or act in other roles unaffiliated with Silver Oak, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

Silver Oak expects to be presented with certain 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. Except as required by the relevant Governing Documents, Silver Oak is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Silver Oak in a portfolio company also have the potential to raise the risk of using assets of a client of Silver Oak to support positions taken by other clients of Silver Oak.

Silver Oak must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Silver Oak generally assesses whether an investment opportunity is appropriate for a particular Fund based on such Fund's Governing Documents, as well as factors including but not limited to: the amount of available capital of the applicable Silver Oak Funds, anticipated future capital requirements of an investment opportunity, expected time to obtain liquidity, conflicts considerations, limitations on the pace of capital deployment or other limitations in the Governing Documents of the applicable Silver Oak Funds, investment and operating guidelines, diversification limitations, investment strategies and objectives, investment restrictions, legal, tax and regulatory considerations, and any other factors deemed relevant by Silver Oak. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. Silver Oak will determine if the amount of an investment opportunity in which a Fund will invest exceeds the amount that would be appropriate for such Fund and whether to offer any such excess to one or more potential co-investors, including Services Executive Partners, vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and Silver Oak's procedures regarding investment allocations and co-investments.

Co-investment opportunities typically will be offered to some and not to other Fund investors. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Silver Oak expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of Silver Oak and its affiliates make capital investments in or alongside certain Funds, Silver Oak and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return

from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Silver Oak's allocation of investment opportunities among the persons and in the manner discussed herein will not, result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Silver Oak will allocate investment opportunities in a manner that it believes in is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Silver Oak expects to be subject, discussed herein, did not exist.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring would raise potential conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. In certain circumstances Funds are expected to be prohibited from exercising (or Silver Oak may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Silver Oak and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds could adversely affect other Funds.

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, such as: (i) expressed interest in co-investment opportunities by the prospective co-investor and its investment appetite; (ii) expertise of the prospective co-investor in the geographic location, market or industry to which the investment opportunity relates and/or any facilitation by the co-investor in bringing the investment opportunity to the Fund or in helping to secure the investment opportunity; (iii) perceived ability to quickly execute on transactions; (iv) size and/or timing of current or future commitment to a Fund by the prospective co-investor; (v) tax, regulatory, securities laws and/or other legal considerations; (vi) confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (vii) perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; (viii) the relevant General Partner's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the General Partner's ability to execute the relevant transaction in the desired time or on desired terms; (ix) size of investment allocation and practicality of dividing it up among multiple co-investors; (x) lender requirements; (xi) perceived public relations and reputational benefits or costs; and (xii) whether the relevant General Partner believes that allocating investment opportunities to a current Silver Oak Fund investor or other third-party person or entity will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, the Funds, Silver Oak or their respective affiliates; and other appropriate factors. Although Silver Oak reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Silver Oak in identifying co-investors. 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 if and to the extent an investment opportunity is not fully allocated to the Funds.

Subject to any relevant restrictions or other limitations contained in the applicable Governing Documents, Silver Oak will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Silver Oak expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions generally will be made by Silver Oak or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to

allocate *pro rata* based on the number of Funds and co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Silver Oak. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

Because each General Partner's carried interest is based on a percentage of net realized profits, the General Partner has an incentive to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise make in the absence of such arrangement. 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, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals. Also, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when Silver Oak may not otherwise have done so.

As a result of the Funds' controlling interests in portfolio companies, Silver Oak and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Silver Oak personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio company board members frequently approve compensation and/or other amounts payable to Silver Oak and/or its affiliates. Except to the extent such amounts are subject to the relevant Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to its General Partner.

Additionally, a portfolio company typically will reimburse Silver Oak or service providers retained at Silver Oak's discretion for expenses (including without limitation travel expenses) incurred by Silver Oak or such service providers in connection with the performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Silver Oak personnel. This subjects Silver Oak and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Silver Oak determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, any fee paid or expense reimbursed to Silver Oak or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third-party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, Silver Oak, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Silver Oak's operations, including research, due diligence, investment monitoring,

operational improvements and investment activities, Silver Oak and its personnel expect to receive and benefit from information, “know-how,” experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “**Silver Oak Information**”). In many cases, Silver Oak Information will include tools, procedures and resources developed by Silver Oak to organize or systematize Silver Oak Information for ongoing or future use. Although Silver Oak expects its Funds and their portfolio companies generally to benefit from Silver Oak’s possession of Silver Oak Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Silver Oak and its personnel) and not by the Fund or portfolio company from which Silver Oak Information was originally received. Silver Oak Information will be the sole intellectual property of Silver Oak and solely for the use of Silver Oak. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset or reduce Management Fees.

Silver Oak generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are expected to include: (i) Silver Oak or a related person of Silver Oak (which is permitted to include a portfolio company of such Fund), (ii) an entity with which Silver Oak or its affiliates or current or former members of their personnel has a relationship or from which Silver Oak or its affiliates or their personnel otherwise derives financial or other benefit, or (iii) certain limited partners or their affiliates. For example, Silver Oak expects to be presented with opportunities to receive financing and/or other services in connection with a Fund’s investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects Silver Oak to conflicts of interest, because although Silver Oak selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Silver Oak has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Silver Oak, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Silver Oak), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Silver Oak will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Silver Oak generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, Silver Oak expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited



partners should not expect service providers to Silver Oak or any Fund to provide services that will be the most beneficial to any limited partner. Whether or not Silver Oak has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Silver Oak and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Silver Oak and/or its affiliates; conversely, current or former personnel or executives of Silver Oak and/or its affiliates are expected to serve in significant management roles at portfolio companies or service providers recommended by Silver Oak. Similarly, Silver Oak, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Silver Oak and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Silver Oak entities, whether or not relating to financing Silver Oak personnel obligations to fund General Partner commitment obligations) to Silver Oak personnel and their estate planning vehicles. Silver Oak expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Silver Oak information about markets and industries in which Silver Oak operates (or is contemplating operations) or will provide other services that are beneficial to Silver Oak or one or more other Funds. Silver Oak expects to be subject to a potential conflict of interest in making such recommendations, in that Silver Oak has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies held by a Fund.

Silver Oak, its affiliates, and equity-holders, officers, principals and personnel of Silver Oak and its affiliates reserve the right to buy or sell securities or other instruments that Silver Oak has recommended to a Fund. The investment policies, fee arrangements and other circumstances of these investments could vary from those of any Fund. Related persons of Silver Oak have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to, and reimburse expenses of certain Services Executive Partners or to other 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 do not offset or reduce the Management Fee as described herein. To the extent that Services Executive Partners are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Services Executive Partner's services at a time when fewer portfolio companies or Funds make use of such Services Executive Partner. Under many of these arrangements, including where Services Executive Partners are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Services Executive Partner. Although the use of Services Executive Partners and the allocation of compensation paid to them by Silver Oak, their affiliates and/or the portfolio companies may subject Silver Oak and/or its affiliates to potential conflicts of interest, Silver Oak believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Services Executive Partner(s) is lower than market rates for the services provided and/or if the quality of the services of the Services Executive Partner(s) make a greater contribution to the success of the portfolio company. Although Silver Oak seeks to use or retain Services Executive Partners with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Silver Oak also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Silver Oak believes will align such persons' interests with those of the Funds' limited partners, and seeks to use or retain only Services Executive Partners and other service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Silver Oak reserves the right to cause a Fund to enter into a transaction whereby the Fund (i) purchases securities from, or sells securities to, other Funds managed by Silver Oak, or co-investors or co-investment vehicles or (ii) co-invests alongside such other Funds or co-investors. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. In some cases a portfolio company of one Fund will be merged with or into a portfolio company owned by another Fund. Any of these transactions raise potential conflicts of interest, including where: (i) the investment of one Fund supports the value of portfolio companies owned by another Fund; or (ii) the transaction allows Silver Oak or its affiliates to realize carried interest or receive future Management Fees or other compensation with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of Silver Oak, Silver Oak reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Fund(s) to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of

Silver Oak) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. Silver Oak reserves the right to determine that the willingness of a third party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions and therefore determine not to obtain a consent or fairness opinion (except where required by applicable law). Silver Oak intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances, Silver Oak generally will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant Governing Documents.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Silver Oak deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

Silver Oak has entered, and in the future expects to enter, into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Silver Oak's compensation), information rights, specialized reporting, priority co-investment rights, rights to serve on the Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions, as well as economic, procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Fund's Governing Documents.

Silver Oak is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Silver Oak, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Silver Oak, its affiliates and

personnel, or the Funds. Further, Side Letters also are expected to relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except in the circumstances and on the timing required by Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Silver Oak, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Silver Oak to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown of an investment. Although Silver Oak believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Silver Oak has instituted a program under which portfolio companies owned by the Funds participate in purchasing, vendor or similar arrangements with Silver Oak, its affiliates and other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and service providers on a group-wide basis. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Silver Oak and its affiliates also participate in the program and receive similar benefits and discounts as the portfolio companies participating therein.

The Governing Documents provide Silver Oak with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing),

valuation and other matters that in each case have the potential to affect Silver Oak's compensation. In making such determinations, Silver Oak is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for Silver Oak and its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. Silver Oak expects to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, Silver Oak will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, Silver Oak is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

Silver Oak's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of Silver Oak's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although Silver Oak intends to operate in accordance with the Governing Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Since the General Partners are permitted to retain certain fees (as described under "Fees and Compensation") in connection with Fund investments, Silver Oak expects to be subject to a potential conflict of interest in connection with approving transactions and setting such

compensation. In many cases, such fees are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. Silver Oak manages such conflicts by partially offsetting the Management Fee with such fees. In addition, Silver Oak believes 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. In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, Silver Oak reserves the right to accrue, defer or forego payments of such fees. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

Silver Oak has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Silver Oak has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Discounted prices or better terms offered by a portfolio company to Silver Oak, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, Silver Oak will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by Silver Oak are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Silver Oak's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects Silver Oak and/or its affiliates to potential conflicts of interest. 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 a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Silver Oak will review the circumstances of such investment or

relationship with a view to addressing and reducing the potential for conflict. Where necessary, Silver Oak consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

### **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, including General Partners and equivalent entities formed and subject to the Advisers Act pursuant to Silver Oak’s 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 generally share common owners, officers, partners, personnel, 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 personnel and addresses conflicts that arise from personal trading. The Code requires certain 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 Linda Epstein, the Chief Compliance Officer, at (847) 332-0440. Personal securities transactions by Silver Oak personnel who manage client accounts 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 of material non-public or other confidential information about 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 non-public or other confidential information with respect to any company, Silver Oak generally 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/or 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 personnel of Silver Oak and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of Silver Oak, as well as third-party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure.

The Funds are generally permitted to invest together with other private investment funds advised by an affiliated adviser of Silver Oak in the manner set forth in the applicable Governing Documents. Silver Oak will allocate investment opportunities or advisory recommendations in a manner that it believes is fair and equitable to its clients, consistent with its fiduciary obligations, the underlying documents for the relevant Fund and the Silver Oak investment allocation and co-investment policy.

Each General Partner reserves the right to advance funds on behalf of a Fund and contribute such borrowed amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing is typically borne by the relevant Fund consistent with the Governing Documents. Similarly, Silver Oak or an affiliate is authorized to sign nondisclosure agreements or other deal documentation in view of future participation by one or more Fund(s), although this typically is done as a courtesy and without compensation from a Fund.

In borrowing on behalf of a Fund, Silver Oak is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. Silver Oak will effect such borrowings in a manner it believes to be fair and equitable under



the relevant circumstances to the relevant Fund, and consistent with Silver Oak's obligations to the Fund under the Governing Documents.

### **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 reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where 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 intends to follow 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 reserves the right to 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 are permitted to 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 expects to 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 the 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 also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. Silver Oak is permitted, but 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. Batched transactions are expected to be executed in a manner intended to ensure that no participating Fund of Silver Oak is favored over any other Fund.

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. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

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 in accordance with the amount of securities originally requested for such Funds. 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 generally are 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 generally will provide to its limited partners (i) GAAP 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 Governing Documents.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

Silver Oak and/or its affiliates intend to provide certain business or consulting services to companies in a Fund’s portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation in many cases will 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.

Silver Oak reserves the right to 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 under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

### **CUSTODY**

Silver Oak generally expects that it will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (the “**Custody Rule**”)), of funds and securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with the following qualified custodian: Citizens, N.A., One Citizens Plaza, Providence, RI 02903-1339.

### **INVESTMENT DISCRETION**

Silver Oak has discretionary authority to manage investments on behalf of each Fund. As a general policy, Silver Oak does not allow clients to place limitations on this authority.

Pursuant to the terms of the Governing Documents, however, Silver Oak and/or its affiliates have entered, and expect to enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner’s investment in a Fund are 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 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 the 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, for example, through the principals’ beneficial ownership interests in such Fund 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 committee on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory committee is authorized to 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. Clients or investors that would like a copy of Silver Oak's complete Proxy Policy or information regarding how Silver Oak voted proxies for particular portfolio companies may contact Linda Epstein, the Chief Compliance Officer, at (847) 332-0440, and it will be provided 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.