

**FORM ADV Uniform Application for Investment Adviser Registration**  
**Part 2A: Investment Adviser Brochure**  
**Item 1: Cover Page**

**Oaktop Capital Management II, L.P.**

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**Firm CRD # 161896**

**Issue Date: March 31, 2023**

**This brochure provides information about the qualifications and business practices of Oaktop Capital Management II, L.P. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.**

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered,” registration itself does not imply a certain level of skill or training.**

**Additional information about the firm is also available on the SEC’s website at  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## **Item 2: Material Changes**

Oaktop Capital Management II, L.P. does not deem any changes to its current brochure material as compared to our prior annual update on March 29, 2022. However, in addition to other slight revisions, please note the following non-material changes:

Updated Item 4 (Investment Advisory Business) to reflect assets under management as of December 31, 2022.

## **Item 3: Table of Contents**

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#### **Item 4: Investment Advisory Business**

Oaktop Capital Management II, L.P. ("Oaktop," "Firm," or "we"), provides investment advisory and related services to pooled investment vehicles (the "Funds" or "Fund"). Oaktop focuses on small and medium size companies but may also invest in larger companies with dynamic growth potential, strong financial condition, and attractive valuations. Generally, Oaktop concentrates portfolio holdings to a small number of equity issuers. Oaktop may make investments in equities, debt, and convertible securities for the Funds, and may hold option contracts and be long or short. Oaktop may use leverage when managing a Fund.

Oaktop provides advice to the Funds on specific objectives and strategies as discussed in the Funds' Offering Memorandum Documents. For further description of Oaktop's investment objectives, strategies and associated risks please see Item 8, Method of Analysis, Investment Strategies and Risk of Loss.

Oaktop does not tailor advisory services to the individual needs of the Funds' underlying investors and does not accept investor-imposed investment restrictions.

As of December 31, 2022, Oaktop has a total of approximately \$573,618,081 in regulatory assets under management, all on a discretionary basis. Oaktop does not manage any assets on a non-discretionary basis.

Oaktop was established in February 2012 and is the successor General Partner of Twin Oaks, L.P. (established February 1991) and Twin Oaks QP, L.P. (established January 2000). Oaktop is owned by Robert F. Moriarty and Timothy E. Moriarty.

#### **Item 5: Fees and Compensation**

**Management Fees:** Oaktop charges an annual management fee of 1% of the assets under management. The management fee is payable quarterly, in arrears, and is deducted from each Fund's account. Oaktop fees are more fully detailed in each Fund's Partnership Agreement. To the extent provided in the Limited Partnership Agreements and Offering Memorandum documents, the General Partner may, at its sole discretion, waive the Management Fee with respect to the interests of members, partners, officers, managers, employees, or affiliates of the General Partner or certain other Limited Partners.

**Other Expenses:** The Funds will generally pay all fees, costs, expenses, and liabilities relating to the operation of the Funds, including the management fees noted above. Oaktop will pay normal operating expenses incurred for day-to-day administrative services provided to the Funds including overhead and expenses related to the analysis of potential investments. The Funds will pay all expenses in connection with custodial fees, audit fees and other overhead costs. The Funds will also incur brokerage and other

transaction costs. Please refer to Item 12, Brokerage Practices of this brochure for a discussion of the Oaktop's brokerage practices.

#### **Item 6: Performance-Based Fees and Side-by-Side Management**

**Performance Fee:** Annually, the net profits of a fund will be allocated 80% to the Limited Partners and 20% to the General Partner, subject to a high-water mark as more fully described in the Funds' documents provided to the investors.

All Limited Partners are deemed to be either "Qualified Purchasers" or "Accredited Investors."

All base and performance fees assessed to the Funds are fully disclosed to investors in the respective Fund Limited Partnership Agreement and in Offering Memorandum documents. To the extent provided in the Limited Partnership Agreements and Offering Memorandum documents, the General Partner may, at its sole discretion, waive the Management Fee with respect to the interests of members, partners, officers, managers, employees, or affiliates of the General Partner or certain other Limited Partners.

#### **Item 7: Types of Clients**

Oaktop provides investment management services exclusively to pooled investment vehicles.

The minimum investment in the Funds is \$500,000, subject to waiver at the discretion of the General Partner.

Interests in the Funds are offered on a private placement basis, and generally will be open to investment only by persons that are "qualified purchasers" or "accredited investors" within the meaning of Regulation D of the Securities Act, and "qualified clients" as defined in the Investment Advisers Act of 1940, as amended.

#### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Oaktop provides portfolio management services to Funds focused on investing in companies across a broad array of industries with an emphasis on small to medium size companies with growth potential in areas such as, but not limited to, technology, health care, financial services, and specialty retailing. Stock selection is determined primarily by a bottom-up approach. Oaktop will devote considerable time and effort to ferreting out and assessing the investment merits of companies offering unusual growth opportunities.

Oaktop may use leverage in the Funds' portfolios, will hold primarily equities or options

thereon, and may be long or short particular issuers.

Funds involve risk of loss, and investors in the Funds should have the ability to sustain the loss of their entire investment. There is no assurance that the performance of Oaktop or the Funds will equal or exceed any past performance.

While prospective investors should review the risk disclosures set forth in full in the applicable Fund's offering materials or separate account documentation, the following are certain material risks with respect to investments in the Funds. These risks are qualified in their entirety for a particular Fund by the risks set forth in such Fund's private placement memorandum, other offering materials, or governing documents.

- ***Risk of Loss:*** Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Questions regarding these risks and/or increased costs may be directed to Oaktop and its management.

- ***Long-Term Investment:*** Investments in the Funds are not intended to be short-term investments but, if warranted, short term gains may be realized.

- ***Reliance on Portfolio Company Management:*** While it is the intent of Oaktop to invest in companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully.

- ***Illiquidity:*** Investments in the Funds represent highly illiquid investments and should only be acquired by investors able to commit capital for an indefinite period of time. Investors will not be permitted to transfer their interests in the Funds without the written consent of the General Partner, which may be withheld in its sole discretion, and the satisfaction of certain other conditions, including compliance with applicable securities laws.

- ***Short Sales:*** Short selling, or the sale of securities not owned by the Funds, necessarily involves certain additional risks. Such transactions expose the Funds to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and in the case of equities, without effective limit. There is the risk that the securities borrowed by the Funds in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Funds might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

- ***Leverage:*** While the use of certain forms of leverage can substantially improve the return on invested capital, such use may also increase the adverse impact to which the portfolio of the Funds may be subject.

Borrowings will usually be from prime brokers and will typically be secured by the Funds' securities. Under certain circumstances, a prime broker may demand an increase in the collateral that secures the Funds' obligations, and if the Funds were unable to provide additional collateral, the prime broker could liquidate assets held in the account to satisfy the Funds' obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the Funds' borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Funds' profitability.

In an unsettled credit environment, the Adviser may find it difficult or impossible to obtain leverage for the Funds. Since leveraging their assets may be an integral part of the investment strategy of the Funds, in such event the Funds could find it difficult to implement their strategies. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Adviser being forced to unwind positions quickly and at prices below what the Adviser deems to be fair value for the positions.

- ***Small Cap Securities:*** At any given time, the Funds may have significant investments in stocks of smaller and sometimes newer issuers which may be more volatile and speculative than the stocks of larger issuers. Smaller companies tend to have limited resources, product lines and market share. As a result, their share prices tend to fluctuate more than those of larger companies. Their shares may also trade less frequently and in limited volume, making them potentially less liquid. The price of small company stocks might fall regardless of trends in the broader market.

- ***Options Risk:*** Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

- ***Risk of Inadequate Return:*** The returns on a particular Fund's investments, if any, may not be commensurate with the degree of risk of an investment in such Fund. Investors should have the ability to sustain the loss of their entire investment.

- ***Multiple Fees and Expenses:*** Investors in a Fund will pay certain fees (as described in Item 5, "Fees and Compensation"), and expenses of such Fund. This will result in greater expense and less potential for return on investment than if such fees were not charged or such expenses incurred. Similarly, investors may pay Carried Interest to a Fund's General Partner in connection with an investment.

- ***Future Legislative and Regulatory Actions:*** New laws and regulations, changing

regulatory schemes, and the burdens of regulatory compliance with respect to the Funds, Oaktop, or any related entity may have a material negative impact on the performance of the Funds and portfolio companies. Such legislation and regulations may, directly or indirectly, (i) require Oaktop to provide reports and other disclosure to investors, counterparties, creditors, and regulators, (ii) cause Oaktop to alter its management of the Funds, including for the purposes of avoiding increased regulatory burdens, (iii) limit the types and structures of the investments available to the Funds including limitations on the use of leverage, or (iv) otherwise change or restrict the operations of the Funds.

- ***Funds Not Registered:*** The Funds are not registered under the Investment Company Act or any other U.S. federal or state securities laws or the laws of any other jurisdiction. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, which will not be applicable to the Funds.

- ***Cybersecurity Risk:*** The Funds and their service providers may be subject to operational and information security risks resulting from cybersecurity attacks. Cybersecurity attacks include theft or corruption of data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information, or various other forms of cybersecurity breaches. Cybersecurity attacks affecting the Funds or their service providers may adversely impact the Funds. For instance, cybersecurity attacks may interfere with the processing or execution of Fund transactions, cause the release of confidential information, including private information about limited partners, subject the Funds or the Adviser to regulatory fines or financial losses, or cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which the Funds may invest. These risks could result in material adverse consequences for such issuers and may cause the Funds' investments in such issuers to lose value.

- ***Pandemic Outbreaks:*** Disease outbreaks that affect local economies or the global economy may materially and adversely impact our investment portfolios and/or our business. These types of outbreaks have the potential to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions also have the potential to lead to instability in the marketplace, including market losses and overall volatility. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. In the event of a pandemic or an outbreak, there can be no assurance that we or our service providers will be able to maintain normal business operations for an extended period of time or will be able to retain the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impact of a pandemic or disease outbreaks is unknown, which could result in a high degree of uncertainty for potentially extended periods of time.

## **Certain Investment Considerations Relating to Potential Conflicts of Interest**

### ***Potential Conflicts of Interest:***

Due to the other activities in which affiliates of Oaktop, the Principals, and their respective officers, directors, employees, and agents (the “Oaktop Parties”) may engage, certain conflicts of interest could arise. While the applicable Fund Partnership Agreement will contain certain protections for Partners from conflicts of interest, it does not purport to address all potential conflicts. Investors should consider the following discussion of potential conflicts of interest when deciding whether to invest in the Funds.

The General Partner may in the future act as an investment adviser to other clients and is permitted to do so under the terms of the Partnership Agreement. Accordingly, certain opportunities to purchase or sell securities or engage in other permissible transactions may be allocated among a number of the General Partner’s clients. The General Partner, however, will allocate available transactions among the Partnership and other clients in a manner believed by the General Partner to be fair and equitable.

The General Partner may perform investment advisory services for other clients and may give advice, and take action, with respect to any of those clients which may differ from the advice given, or the timing or nature of action taken, with respect to the Partnership; provided that over a period of time, the General Partner, to the extent practical, will seek to allocate investment opportunities to each account, including the Partnership, in a manner that it reasonably believes is fair and equitable relative to other similarly-situated client accounts. The General Partner, its affiliates and their respective principals and associates, and other clients of the General Partner and its affiliates may own, purchase or sell securities or interests at or about the same time that the General Partner is purchasing or selling securities or interests for the Partnership and such actions are or may be deemed to be inconsistent with the General Partner’s purchasing or selling of securities or interests for the Partnership.

The Limited Partners are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests among the Limited Partners may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of the acquisition of investments, and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner, including with respect to the nature or structuring of investments, that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to Limited Partners’ individual tax situations. In selecting and structuring investments appropriate for the Funds, the General Partner will consider the investment and tax objectives of the Funds and the Partners as a whole, rather than the investment, tax, or other objectives of any Limited Partner individually.



### **Item 9: Disciplinary Information**

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosures as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Please note, neither the Firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

### **Item 10: Other Financial Industry Activities and Affiliations**

None.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Oaktop's Principals may engage in a broad range of activities, including investment activities for their own accounts and accounts of their family members (collectively, the "Related Accounts") and for the Funds. Therefore, the Principals and their families may invest in the same securities that Oaktop recommends to the Funds. The Principals may also recommend securities to the Funds or buy and sell securities for the Funds at or about the same time that the Principals buy and sell the securities for the Related accounts.

The following factors may alleviate, but will not eliminate, conflicts of interest among the Funds and Oaktop's Related Accounts:

- Oaktop will not make or sell any of the Funds' investments or take any action unless it believes that such action is considered solely from the viewpoint of the Funds and is beneficial for the Funds; and
- Where an investment opportunity is suitable for both the Funds and any Related Accounts, the Funds will take precedence over the Related Accounts in the allocation of trades.

As required by Rule 204A-1 of the Investment Advisers Act of 1940, Oaktop has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients and sets forth the Firm's practice of supervising the personal securities transactions of employees who maintain access to client information.

Related persons under common control of Oaktop provide services individually and as trustees to trusts, LLCs, individuals, limited partnerships, and friends. Such services may

be similar to services rendered to the Funds. Oaktop and its related persons do not give preferential treatment to any of these groups over the Funds in the allocation of investment opportunities.

The Firm collects and maintains records of securities holdings and transactions made by employees. The Firm reviews the personal trading practices of its employees to identify and resolve any potential or realized conflicts of interest.

A copy of Oaktop's Code of Ethics is available upon request.

## **Item 12: Brokerage Practices**

**Brokerage Selection:** Oaktop has the authority to direct securities transactions on behalf of our clients to broker-dealers we select. In doing so, we seek best execution of such transactions. When seeking best execution, we consider the full range and quality of a broker-dealer's services including, among other things, commission rate, a broker's trading expertise, reputation and integrity, facilities, financial services offered, willingness and ability to commit capital, access to underwritten offerings and secondary markets, reliability both in executing trades and keeping records, fairness in resolving disputes, value provided, execution quality, financial responsibility, and responsiveness.

**Soft Dollars:** The term "soft dollars" is commonly understood to refer to arrangements where an investment adviser uses client brokerage commissions to pay for research or other services used by the adviser. Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" that permits investment advisers to enter into soft dollar arrangements if the investment adviser determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research provided.

As a matter of policy, we do not receive "soft dollar" credits, but do receive research of the type that is customarily provided by brokers or dealers to their institutional accounts, which may be useful to us in serving the accounts we advise. Although our receipt of such research does not reduce our normal independent research activities, it may enable us to avoid the additional expenses that we might otherwise incur if we were to attempt to independently develop comparable information.

**Trade Aggregation:** When a trade is placed for more than one account at the same time, we will aggregate or block trade when we believe this will result in more favorable execution.

**Trade Allocation:** If an order is aggregated, the order will be allocated in accordance with the pre-trade allocation specified. If the trade is partially filled, the order is allocated on a pro rata basis in proportion to the intended pre-trade allocation. Each account will receive the same price and commission.

### **Item 13: Review of Accounts**

Oaktop's principals perform a monthly review of client accounts and ensure that each Fund is in compliance with its respective Partnership Agreement. The review includes such matters as income, loss and expense items, uninvested cash, portfolio investment performance, open trades, unreconciled portfolio positions, commissions, and other matters affecting the performance of the Funds. On a quarterly basis the portfolios are valued, and written reports are sent to the Funds' Limited Partners.

### **Item 14: Client Referrals and Other Compensation**

Oaktop does not pay referral fees and does not use solicitors. Oaktop does not receive compensation for client referrals.

### **Item 15: Custody**

Oaktop and/or its affiliates are deemed to have "custody" of Fund assets for purposes of Rule 206(4)-2 of the Investment Advisers Act of 1940 due to our role as General Partner of the Funds. The Funds' assets are held in the name of the Fund by an independent qualified custodian. The Funds are audited annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB), and audited financial statements are distributed to the Limited Partners within 120 days of the end of the respective Funds' fiscal years.

### **Item 16: Investment Discretion**

Oaktop maintains discretionary authority over the selection and amount of portfolio securities to be bought or sold in the Funds without obtaining prior consent or approval of the Funds' Limited Partners. Investment discretion authority is granted to Oaktop contractually when an investor completes and signs a Fund's official subscription documents. The General Partner of the Funds is ultimately responsible for all final investment decisions. The Funds' Partnership Agreements provide the only investment guidelines; otherwise Oaktop has broad authority to invest the Funds' assets as we deem appropriate.

### **Item 17: Voting Client Securities**

Oaktop's primary consideration in voting proxies is the financial interest of its clients. Oaktop has sole authority to vote client securities in a manner that seeks to maximize the long-term economic interests of the Funds, although we may consider both the short-term and long-term implications of each proposal in determining the optimal vote. As such, Clients may not direct how we should vote on a particular proxy. Generally, Oaktop will vote with management.

Oaktop monitors proxy voting decisions for any conflicts of interests, regardless of whether they are actual or perceived. In addition, Oaktop performs its tasks relating to the voting of proxies with the first priority to the economic interests of the Funds. If at any time Oaktop becomes aware of any potential or actual conflict of interest or perceived conflict of interest regarding the voting policies and procedures or any particular vote on behalf of any Fund, the firm will notify the Chief Compliance Officer. If any Oaktop Principal is pressured or lobbied either from within or outside of Adviser with respect to any particular voting decision, he will notify the Chief Compliance Officer. Oaktop will use its best judgment to address any such conflict of interest and ensure that it is resolved in the best interest of the Funds. Oaktop may cause any of the following actions to be taken in that regard:

- vote the relevant proxy in accordance with the vote indicated by the Firm's proxy voting guidelines; or
- vote the relevant proxy as an exception, provided that the reasons behind the voting decision are in the best interest of the Funds, are reasonably documented, and are approved by the Chief Compliance Officer.

A copy of Oaktop's Proxy Voting Policies and Procedures and information about how Oaktop voted the Funds' securities is available to investors upon request and can be obtained by contacting us at the telephone number listed on the cover page of this document.

### **Item 18: Financial Information**

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain financial information about their business practices that might serve as material to the client's decision in choosing an investment adviser.

As of the date of this filing, Oaktop does not require the pre-payment of any fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.