Our Business and Practices

Firm Brochure

Okabena Investment Services, Inc.
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This brochure provides information about the qualifications and business practices of Okabena Investment Services, Inc. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at (612) 339-7151. This brochure is also available on our public website at: www.okabena.com.

The information in this brochure has not been approved or verified by the US Securities and Exchange Commission or by any other state securities authority.

Additional information about Okabena Investment Services, Inc. also is available on the SEC's website at: www.adviserinfo.sec.gov.

Form ADV Part 2A

March 26, 2018

okabena investment services

Item 2 - Material Changes since Last Update

Our firm and our business are evolving over time. We review our policies and procedures on a regular basis to evaluate their continuing effectiveness. As a result of that process, we may amend our policies and procedures and this brochure from time to time. This brochure is updated annually and/or when material changes have occurred since the last publication. The following summarizes material changes since the last annual update, which occurred on March 22, 2017.

In this annual update, we are summarizing material changes made since our last annual update. In addition to the material changes described below, this update includes certain technical, stylistic or clarifying changes and changes intended to better comply with the requirements of Form ADV Part 2A.

- In Item 4, we clarified advisory services offered for investments outside of the OIS-managed Funds.
- In Item 5, we clarified Fee Billing for clients that have investment assets outside of the OIS-managed Funds.
- In Item 8, we restructured the order of information for better clarification. We also deleted the taxable model table summary.

Table of Contents

Item 4 - Our Advisory Business

Okabena Investment Services, Inc. (OIS) was incorporated in the state of Minnesota in 1994, and became an SEC-Registered Investment Adviser at that time. Its principal place of business is located in Minneapolis, MN. OIS' parent, Okabena Company, was incorporated in 1967 and was dedicated solely to serving the investment and financial needs of the Dayton family until it formed the OIS subsidiary in 1994. At that time, OIS began providing investment and portfolio management services on a discretionary basis to the direct lineal descendants of George Nelson Dayton, their spouses, and certain other individuals who met family relationship criteria.

In 1996, OIS extended its investment management services to small and mid-sized tax-exempt organizations outside the Dayton family, under the name of Okabena Advisors. This includes some family foundations and endowments funded by Dayton family members. OIS has continued to expand its services to other tax-exempt clients including tax-exempt associations, community foundations, and other not-for-profit organizations unrelated to the Dayton family. In 2015, OIS began offering its investment management services to select taxable clients unrelated to the Dayton family.

OIS is a wholly-owned subsidiary of Okabena Company. Okabena Company is privately-held by members of the Dayton family and their spouses. Okabena Company is organized under the laws of Minnesota as a 'C' corporation. Ownership of Okabena Company is spread among the five branches of the family who are descendants of George Nelson Dayton.

In addition to the clients referenced above, OIS also serves as the sponsor, manager, and discretionary investment adviser to private investment funds (OIS-managed Funds). The OIS-managed Funds are generally asset class based with OIS managing the Funds while retaining third-party investment advisers and/or investing in third-party private investment funds. As described below, the OIS-managed Funds comprise OIS' asset allocation Models to manage client assets. They are not offered to individual investors outside of an OIS advisory client relationship.

Types of Advisory Services

OIS offers comprehensive discretionary investment management by designing, implementing, and managing investment portfolios that seek to protect and enhance the wealth of our clients. Non-discretionary investment management is offered in select situations at OIS' option. In this scenario, OIS may make recommendations and clients are responsible for making the investment choices with respect to such non-discretionary assets.

The firm's services integrate asset allocation, manager selection, ongoing monitoring, and oversight of the portfolio to seek to achieve clients' objectives. Through access to comprehensive and sophisticated investment solutions, clients benefit from the firm's scale and experience to generate returns and manage risk.

Our investment management services include:

- Investment policy development
- Strategic and tactical asset allocation
- Portfolio construction
- Selection and monitoring of managers
- Risk management
- Liquidity management

At the inception of the client relationship, OIS formalizes an Investment Policy Statement (IPS) with each advisory client, outlining such client's return objective, time horizon, risk tolerance, distribution/spending needs, and any circumstances unique to the client's preferences with regard to OIS' investment program and models offered. Clients may submit their own IPS or may request assistance in developing one. Although the IPS is reviewed with advisory clients annually, clients may change their objectives at any time. We rely on regular communication from clients to assure up-to-date information that may affect client goals and objectives.

OIS has established Model Portfolios containing different allocations of the OIS-managed Funds. Each Model Portfolio is designed to provide an asset allocation structure for clients with similar investment objectives, constraints, and preferences, and to meet a particular investment goal. The Models are intended to appeal to relatively broad groups of clients, and can be customized to suit individual needs and circumstances.

We offer taxable advisory clients three Model options: Stable Growth, Growth, and Aggressive Growth, all of which have pre-established, long-term asset allocation targets and ranges. We offer tax-exempt advisory clients one Model: Strategic Allocation Model, which has pre-established, long-term targets and ranges. Clients may implement a customized allocation to accommodate their particular situation.

Additionally, for clients with certain liquidity or other particular needs, OIS makes available separately managed account services of third-party investment management firms. OIS may also offer asset allocation options via investments that include but are not limited to, mutual funds, exchange-traded funds, stocks, bonds, money market instruments and cash and cash equivalents to accommodate the client's investment objective detailed in their IPS. This is offered in limited situations.

OIS has implemented multiple levels of review in its investment management process that are reasonably designed to ensure each client's investment objectives and constraints are understood, and client guidelines and the firm's fiduciary obligations are met.

Client Assets

As of December 31, 2017, discretionary assets under management totaled approximately $1.448 billion; and non-discretionary assets under advisement totaled approximately $85.6 million.

Item 5 - Fees and Compensation

We charge asset-based management fees on discretionary and non-discretionary client-specific portfolios on which we advise. Pursuant to an Investment Advisory Agreement signed by each client, we are compensated for investment management services based on a fee rate applied to advisory clients' assets under management. Given the firm's origin as a family office, as a general matter, client fees are intended to cover OIS' cost of operations. OIS offers two approaches to fees. One approach is a non-negotiable agreement to pay the fee OIS determines each year based on its financials. This flat fee is a percentage of assets under management which can vary from year to year. Fees are reviewed annually, and clients are notified in advance of the fee rate for the coming year. For 2018 the fee is 0.48% on assets under management, for clients of the founding family, or legacy clients, and other advisory clients who select this approach. Such clients may also be subject to a partial or complete waiver of fees or a special assessment at year-end as a result of changes in the firm's net operating income. The other approach is a negotiated percentage of assets under management which does not vary from year to year. Although there is no standard fee schedule for such clients, such fees generally range from 0.40% to 0.50% annually based on assets under management.

Fees Paid in Advance

With respect to client assets invested in the OIS-managed Funds, each quarter OIS charges the investment management fee in advance as described below based on assets in the OIS-managed Funds at the beginning of the calendar quarter, adjusted for contributions, distributions, and reallocations occurring on the first business day of the quarter.

With respect to client assets invested outside of the OIS-managed Funds, each quarter OIS charges the investment management fee in advance as described below based on assets under management or advisement at the beginning of the calendar quarter.

If the Investment Advisory Agreement is in effect for less than the whole of any quarterly period, the management fee will be calculated on a pro rata basis for the partial period of the calendar quarter for which we have served as Adviser.

If the Investment Advisory Agreement is terminated before the end of period for which management fees have been paid, OIS will refund the portion of the fee reflecting the remainder of the period. Fund liquidity terms will still apply.

Fee Billing

For clients whose assets are invested in the OIS-managed Funds, the agreed advisory fee is allocated to their capital accounts and deducted by OIS. Fees are calculated based on the unaudited Net Asset Value for the OIS-managed Fund.

Tax-Exempt advisory clients that are not legacy clients, receive a Quarterly Advice Notice, which is not a bill, but rather a notice of the client's charges for the quarter.

For clients that have investments outside of the OIS-managed Funds, advisory fees are deducted directly from the clients' custodial account based on their negotiated fee rate. Clients do not receive a Quarterly Advice Notice.

For non-discretionary accounts a bill is sent to the client for approval prior to the fee deduction from their custodial account. The fee is based on their negotiated fee rate.

Other Fees

To the extent client assets are invested in the OIS-managed Funds, each Fund bears its own organizational expenses, such as legal, accounting, and related administrative expenses as well as ongoing expenses, including but not limited to transaction costs, brokerage commissions, custody, legal, tax preparation, audit and accounting, pricing and valuation agents, portfolio management tools and software, and any expenses for services that are required, in OIS' determination and discretion, that are reasonably incurred in connection with the operation and maintenance of the OIS-managed Funds. Each Fund is charged directly for these expenses. Advisory clients will bear their pro rata share of these expenses, based on their ownership interest in the OIS-managed Fund(s).

OIS' open architecture of a manager-of-managers platform creates sub-manager fees that range between 0.20% and 3.00% per annum, based upon assets under management and/or committed capital, and any agreed upon performance incentives charged by the sub-managers. In some instances, OIS will invest client assets in funds of funds, which may create three layers of fees, inclusive of OIS' management fee.

With respect to clients with assets not invested in the OIS-managed Funds, they may also incur custodial costs and any transactional costs when OIS is buying and selling individual securities. Please see Item 12 for more information on our brokerage practices.

To the extent clients retain third party separate account managers, clients will pay advisory fees to those managers directly as well as OIS' advisory fee. Other fees and expenses related to those managers are described in each manager's Form ADV Part 2A, which OIS provides to clients. Clients whose accounts are invested in such investment vehicles will therefore pay two levels of advisory fees on such assets - one to the investment manager and one to OIS.

For assets in the client's account that are invested outside OIS-Managed Funds (e.g. mutual funds including money market funds, exchange-traded funds, or similar investment vehicles) the client's account will bear its proportionate share of the fees and expenses of such investment vehicles, in addition to the fees payable to OIS. Clients whose accounts are invested in such investment vehicles will therefore pay two levels of advisory fees on such assets - one through the vehicle to its investment adviser and one to OIS. In both of these situations, to the extent clients can invest directly with such managers and funds without our involvement, they would pay less in advisory fees. They would, however, lose the benefit of our initial due diligence and ongoing monitoring of and recommendations about these managers and funds.

OIS has the authority to waive all or a portion of OIS' management fees.

Additional Compensation

OIS receives no brokerage commission payments or transaction-based compensation in connection with our advisory services. See Item 12 for additional information.

Pricing and Valuation

OIS seeks to maintain accurate market valuations of the securities held in the OIS-managed Funds and clients separately managed portfolios. OIS obtains regular pricing for the securities held in the OIS-managed Funds and clients separately managed portfolios from reliable third party vendors e.g., custodian banks, Bloomberg, broker/dealers, FactSet, underlying sub-managers, and/or fund administrators. In addition, OIS may determine fair values for securities for which market quotations are not readily available or when the price provided by a pricing source does not, in our view, represent fair value. The valuation of these securities forms the basis for calculating the Net Asset Value (NAV), or fair value, of each OIS-managed Fund, the primary pricing input for valuing client accounts, and for calculating our investment advisory fee. As a matter of policy, OIS values all securities held in the OIS-managed Funds and client-specific portfolios, both discretionary and non-discretionary, on a regular basis, and prices all securities based upon the concept of fair value.

A Valuation Committee (Committee) has oversight responsibilities over the proper execution of OIS' Valuation Policy and approves all final values prior to publishing investment results. The Committee meets regularly to review significant accounting reconciling items, assess fair value determinations, and approve values. The Committee is composed of a group of individuals from across business units that are sufficiently familiar with markets to be able to assess market information as an input to a fair value determination.

Item 6 - Performance-Based Fees & Side-by-Side Management

We do not charge a performance-based fee. Fees are based on assets under management or advisement only. Certain sub-managers may charge performance based fees, and would be discussed in the Investment Advisory Agreement signed with the sub-manager.

Item 7 - Types of Clients

We provide investment advice to the following types of clients:

- High net worth individuals
- Trusts, foundations/endowments, and other not-for-profit organizations
- Individuals, other than High net worth
- Corporations and other business entities
- Family LLCs and LPs
- OIS-managed Funds

Account Minimums

We require that clients have $5 million in investments to qualify as clients in our investment program. We reserve the right to determine the minimum amount acceptable based upon the circumstances of the prospective client. Investors are required to meet the eligibility requirements set forth in the governing documents in regards to investments offered by OIS.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis / Investment Strategies

OIS has an Investment Policy Manual (IPM) for its investment programs, which serves as the primary tool of governance, defining investment objectives, philosophy, policy, strategy, and performance evaluation. The IPM's purpose is to articulate the policies and procedures that govern the way OIS manages the assets entrusted to OIS, as part of an ongoing effort to achieve client investment objectives and financial goals.

Philosophy

OIS' philosophy is grounded in fundamental concepts, which emphasize understanding the risks and valuing diversification across a variety of asset classes to achieve the most efficient portfolios possible. OIS manages diversified portfolios which employ active and passive strategies across different asset classes in an effort to maximize risk-adjusted returns.

OIS Asset Classes

In creating asset class-level strategies, as an independent investment management firm, our investment recommendations are not limited to or unduly influenced by any product or service offered by any particular broker-dealer, investment company, private investment fund, or other investment adviser. Rather, pursuant to the strategy implementation discussion below, we select what we believe are best of breed sub-manager or investment products for each asset class. For each of the asset classes offered, OIS has developed forward-looking expectations for return, risk, and the correlations among them. OIS reviews these assumptions periodically to confirm their continued validity.

Listed below are the OIS Asset Classes, including the objectives and composition of each asset class:

US Equity

Objective*:* Total return and growth, liquidity, and diversification.

- Equity securities of companies whose primary operations and revenues are based generally inside the United States, as well as ADRs.

Non-US Equity

Objective*:* Total return and growth, liquidity, and diversification through less correlated exposure to global economies and currencies.

- Equity securities of companies whose primary operations and revenues are based outside the United States.

Marketable Alternatives – Hedge Funds

Objective: Total return independent of overall market movements, risk reduction/low volatility, diversification through uncorrelated strategies, and exposure to global economies and currencies.

- Long and short positions in equity and debt securities of public and private companies, and derivatives in various asset classes typically held in private limited partnerships that are diversified by strategy.

Private Markets – Private Equity / Natural Resources / Private Real Estate

Objective: Enhanced total return and growth, diversification through uncorrelated strategies and exposure to global economies and currencies, a potential inflation hedge via exposure to real assets.

- Equity, debt, and derivative securities of private and some public companies typically held in private limited partnerships, diversified by strategy, stage of development, and vintage year.

Real Assets and Long Term Equity

Objective: Total return and growth, risk reduction/diversification through uncorrelated strategies, and exposure to global economies and currencies.

- Equity, debt, and derivative securities of companies, as well as exposure to commodities and real estate in various forms.

Fixed Income – Bonds

Objective: Income and total return, with focus on liquidity, capital preservation, low volatility, and low correlation to other asset classes.

- Municipal bonds, U.S. government bonds, foreign bonds and currencies, precious metals, cash and other suitable fixed income securities. Securities are diversified by quality, sector, duration, structure, and geography. May also include alternative strategies that use derivatives and leverage.

Fixed Income – Taxable Bonds

Objective: Income and total return, liquidity, risk reduction/low volatility, diversification through low correlation to other asset classes, and a potential deflation hedge.

- Bonds and notes issued by the U.S. Treasury, federal government agencies, corporations, and foreign governments and corporations. Securities are diversified by quality, sector, duration, structure, and geography. May also include alternative strategies that use derivatives and leverage.

Model Portfolios

We offer taxable advisory clients three Model options: Stable Growth, Growth, and Aggressive Growth, all of which have pre-established, long-term asset allocation targets and ranges. We offer tax-exempt advisory clients one Model: Strategic Allocation Model, which has pre-established, long-term targets and ranges. These models are designed to provide asset allocation guidance for clients with different investment objectives, constraints, and preferences. The Models are a starting point for discussion and construction of a client portfolio.

Exposure to the asset classes is managed within ranges that are tight enough to control risk reasonably, but wide enough to accommodate tactical shifts in response to market opportunities. Ranges for each asset class are determined based on a combination of factors including expected standard deviation of the asset class, rebalancing costs like taxes, correlation of the asset class to the rest of the portfolio, and the client's tolerance for tracking error.

Investment Strategy Implementation

Strategy implementation involves:

- Tactical Asset Allocation – OIS employs tactical asset allocation which is a proactive process that evaluates and anticipates market risks and attempts to capitalize on market opportunities. We monitor the markets and client portfolios regularly in an effort to identify opportunities.

- Sourcing, Selection and Ongoing Monitoring – The process involves proprietary quantitative and qualitative analysis as well as input from external resources such as investment manager databases, portfolio analytics and risk modeling services, specialty due diligence, economic and market research providers, and legal and regulatory review.

  We seek to engage multiple, best-in-class managers for each component of the overall investment platform with complete objectivity. Each asset class and manager decision is made in a total portfolio context, considering the expected impact of individual changes on the overall portfolio's risk and return characteristics.

  Our investment professionals conduct manager meetings throughout the selection process. Details of our comprehensive review process is captured in a due diligence report.

Overall client portfolios are reviewed on an ongoing basis in an effort to maximize returns relative to their risks. Sub-managers undergo review and analysis, which ensures that each sub-manager continues to have investment merit and is appropriately sized, given its strategy and the market environment. We employ ongoing due diligence for sub-managers in our investment program as well as the comprehensive initial due diligence process.

Investment Risks

All investments carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. Prior to entering into an agreement with OIS, the client should carefully consider the following:

- Investing in securities involves risk of loss of money invested that clients should be prepared to bear.
- Securities markets experience varying degrees of volatility.
- Over time the client's assets may fluctuate and at any time be worth more or less than the amount invested.
- Client should only commit assets that they feel are available for investment on a medium to long-term basis.
- Asset allocation may have a more significant effect on account value when one or more of the heavily weighted asset classes is performing more poorly than the others. Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.
- There are risks to a multiple sub-manager approach. The investment styles employed by the sub-managers within an OIS asset class may not be complementary. The interplay of the various strategies employed by the multiple sub-managers may result in a client portfolio holding a concentration of certain types of securities. This concentration may be beneficial or detrimental to a portfolio's performance depending upon the performance of those securities and the overall economic environment. The sub-managers for an OIS-Managed Fund or an OIS asset class may underperform the market generally or may underperform other sub-managers that could have been selected. The multiple sub-manager approach could increase a portfolio's turnover rates, realization of capital gains or losses, brokerage commissions, and other transaction costs.

Investment in private funds is speculative and involves a substantial degree of risk. Investing in private funds may not be suitable for all investors and is intended for sophisticated investors who can accept the risks associated with its investments.

Directional Bias – OIS' tactical asset allocation evaluates and seeks to anticipate market risks, attempting to capitalize on market opportunities. When merited, OIS may make tactical shifts away from long-term strategic allocation targets. This type of directional investing is subject to all the risks inherent in incorrectly predicting future price movements.

Exchange Rates – Investments in securities and instruments denominated in non-US currencies are subject to the risk that the value of a particular currency will change in relation to the U.S. dollar. OIS or its sub-managers may seek to hedge these risks by investing directly in non-US currencies and buying and selling options, futures or forward contracts. This may result in losses.

Short Sales – As an integral part of investment strategies, certain sub-managers of the OIS-managed Funds will routinely sell investment assets short. Short-selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by OIS or the sub-manager. In addition, purchasing securities to close out a short position can cause the price of the relevant securities to rise further.

Hedging – OIS will not, in general, attempt to hedge all market or other investment-related risks and will hedge certain risks only partially, if at all. However, portfolio composition will commonly result in various directional market risks remaining unhedged. OIS relies on diversification to control such risks to the extent that we believe it is desirable to do so, but OIS-managed Funds are not subject to any formal diversification policies. Certain of our sub-managers will enter into hedging transactions with the intention of reducing or controlling risk. The success of these hedging strategies will depend on OIS or its sub-managers' ability to implement such strategies efficiently and cost-effectively as well as on the accuracy of OIS or its sub-managers' ongoing judgments concerning the hedging position to be acquired.

Leverage – Certain OIS-managed Funds will employ leverage, both through their borrowings and through the significant degree of leverage typically embedded in the derivative instruments in some of the sub-manager portfolios. OIS' use of leverage in a Fund is to aid in cash flow needs or to accommodate periods of uneven cash flows, but not for the purpose of enhancing returns. Losses incurred on leveraged investments increase in proportion to the degree of leverage employed.

Lack of Diversification – Although diversification is an integral part of our overall portfolio risk management process, we are not restricted as to the percentage of the OIS-managed Funds' assets that may be invested in any particular issuer, industry, instrument, market, sector or strategy. In attempting to maximize the Funds' returns, OIS may concentrate the holding of the Funds in those issuer's industries, instruments, sectors, or markets that, in OIS' sole judgment, provide the best profit opportunities consistent with the Fund's investment objective. Consequently, a loss in any concentrated position could ultimately result in significant losses to the Funds.

Financing Arrangements; Availability of Credit – OIS and certain sub-managers employ the use of leverage in certain Fund strategies and depend on the availability of credit in order to finance their portfolios. There can be no assurance that the Funds will be able to maintain adequate financing arrangements under all market circumstances. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel Funds to liquidate all or a portion of its portfolio at disadvantageous prices.

Liquidity – Liquidity is the frequency with which portfolios can be rebalanced and clients can add to, or withdraw, the assets OIS manages. Liquidity of different kinds of investments can be viewed on a spectrum, ranging from US Treasury bills, which can be bought or sold for cash with same-day settlement, to limited partnerships of private market investments, which call capital and distribute funds over several years.

Counterparty and Custody Risk – When the Funds invest in options, swaps, derivative or synthetic instruments, forward contracts, or other over-the-counter transactions, the Funds take a credit risk with regard to parties with whom they trade and also bear the risk of settlement default.

Although no summary can fully describe all of the risks associated with an investment in the Funds, the offering memorandum for the Funds contains a more complete description of the risks associated with an investment in the Funds.

The risks set forth below generally apply to the extent an OIS-managed Fund or client portfolio is allocated to the asset class or type of security identified.

- Market Risk. The market values of the securities in which a client invests may decline, at times sharply and unpredictably. Market values of equity securities are affected by a number of different factors, including the historical and prospective earnings of the issuer, the value of its assets, management decisions, decreased demand for an issuer's products or services, increased production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions, and market liquidity.

- Security Selection. The securities chosen by OIS, or the sub-manager may decline in value. Security selection risk may cause the strategy to underperform other strategies with a similar investment objectives and investment techniques.

- Common Stocks. The value of common stocks will rise and fall in response to the activities of the company that issued the stock, general market conditions, and/or economic conditions. If an issuer is liquidated or declares bankruptcy, the claims of owners of bonds will take precedence over the claims of owners of common stocks.

- Value Stocks. Investments in value stocks are subject to the risks of common stocks, as well as the risks that (i) their intrinsic values may never be realized by the market or (ii) such stock may turn out not to have been undervalued.

- Growth Stocks. Investments in growth stocks are subject to the risks of common stocks. Growth company stocks generally provide minimal dividends which could otherwise cushion stock prices in a market decline. The value of growth company stocks may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks.

- Exchange Traded Funds. ETF shares are shares of exchange traded investment companies that hold a portfolio of common stocks designed to track the performance of a particular index. ETFs and other similar instruments involve risks generally associated with investments in a broad-based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, may increase or decrease, thereby affecting the value of the shares of the ETF or other instrument. The main risk of investing in index-based investments like an ETF is the same as investing in a portfolio of equity securities comprising the index. As a shareholder of an ETF, a client portfolio would bear its pro rata portion of the ETF's expenses, including advisory fees, in addition to the expenses such ETF bears directly in connection with its own operation. The market prices of index-based investments will fluctuate in accordance with both changes in the market value of their underlying portfolio securities and due to supply and demand for the ETFs on the exchanges on which they are traded (which may result in their trading at a discount or premium to their net asset values). ETFs may not replicate exactly the performance of their specific index because of transaction costs and because of the temporary unavailability of certain component securities of the index.

- Securities of Smaller Capitalization Companies. Investments in securities of smaller capitalization companies are subject to the risks of common stocks. Investments in smaller capitalization companies may involve greater risks because these companies generally may have a more limited track record, narrower end markets for their products or services, more limited managerial and financial resources and a less diversified product offering than larger, more established companies. Smaller capitalization company stocks are also more likely than larger companies to suffer from significantly diminished market liquidity and volume of trading. As a result of these factors, the performance of smaller capitalization companies can be more volatile, which may increase the volatility of a portfolio.

- Active Management Risk. The strategies are actively managed and their performance therefore will reflect in part OIS' and the sub-managers' ability to make selective investment decisions which are suited to achieving each portfolio's investment objective. Due to active management, the strategies could underperform other investments with similar investment objectives.

- International Investing Risk. Investing in these securities involves risks not typically associated with U.S. investing. These risks include, but not limited to:

  - Currency Risk. Because foreign securities often trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect a Fund's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of securities. A strong U.S. dollar relative to other currencies will adversely affect the value of a portfolio, separate from any intrinsic value of the security in its local currency.

  - Foreign Securities Market Risk. Securities of many non-U.S. companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. Securities of companies traded in many countries outside the U.S., particularly emerging markets countries, may be subject to further risks due to the inexperience of local investment professionals and financial institutions, the possibility of permanent or temporary termination of trading, and greater spreads between bid and asked prices for such securities. In addition, non-U.S. stock exchanges and investment professionals are subject to less governmental regulation, and commissions may be higher than in the United States. Also, there may be delays in the settlement of non-U.S. stock exchange transactions.

  - Information Risk. Non-U.S. companies generally are not subject to uniform accounting, auditing, and financial reporting standards or other regulatory requirements that apply to U.S. companies. As a result, less information may be available to investors concerning non-U.S. issuers. Accounting and financial reporting in emerging markets may be especially sub-standard, inconsistent, or not comparable.

  - Investment Restriction Risk. Some countries, particularly emerging markets, restrict to varying degrees foreign investment in their securities markets. In some circumstances, these restrictions may limit or preclude investment in certain countries or may increase the cost of investing in securities of particular companies.

  - Political and Economic Risks. International investing is subject to: the risk of political, social, or economic instability in the country of the issuer of a security; the difficulty of predicting international trade patterns; the possibility of the imposition of exchange controls, expropriation, limits on removal of currency or other assets; and nationalization of assets. There may also be additional tax costs and reporting requirements for non-resident investors.

- Other Risks Related to ADRs. ADRs are U.S. dollar-denominated equity and debt securities of foreign issuers or directly in foreign securities that are offered on U.S. exchanges. Interest or dividend payments on such securities may be subject to foreign withholding taxes.

- Fixed Income Risks: interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates; income risk, which is the chance that a strategy's income will decline because of falling interest rates; credit risk, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline; and call risk, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The strategy would then lose any price appreciation above the bond's call price and investors would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the strategy's income.

- Municipal Securities Risks. Such bonds are subject to the fixed income risks described above as well as the following risks: legislative risk- the risk that a change in the tax code could affect the value of tax-exempt interest income; and liquidity risk - the risk that investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded, or bonds sold by an infrequent issuer.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events that would be material to your evaluation of OIS or the integrity of our management. OIS has no legal or disciplinary event responsive to this Item to report.

Item 10 - Other Financial Industry Activities and Affiliations

Material Relationships or Arrangements with Affiliate

OIS' parent, Okabena Company, is a family office that provides a wide range of services to its clients. Many of our clients receive financial planning services from Okabena Company.

OIS has a Services Agreement with Okabena Company. Pursuant to the Agreement, Okabena Company permits OIS the use of a portion of their business premises. OIS reimburses Okabena Company for the OIS' pro rata share of rent, utilities and related expenses. Okabena also provides OIS with secretarial, administrative, accounting and payroll services. OIS reimburses Okabena Company for the actual cost of such overhead or remunerate Okabena Company as otherwise agreed. OIS, however, employs all personnel providing investment advisory services.

Proprietary Private Funds

OIS is sponsor of and investment adviser to the OIS-managed Funds, which are identified below. The Funds are not publicly offered or traded. The Funds are available to Accredited Investors as the term is defined by Rule 501 of the Securities Act of 1933. The offering documents for the Funds provide additional information on the Funds.

Okabena Bond Fund, LLC
Okabena U.S. Equity Fund, LLC
Okabena International Equity Fund, LLC
Okabena Marketable Alternatives Fund II, LLC
Okabena Private Markets Fund, LLC
Okabena Opportunities Fund, LLC
Okabena Fixed Income Fund, LLC
Okabena Diversified Equity Fund, LLC
Okabena Marketable Alternatives Fund, LLC
Okabena Special Opportunities Fund, LLC

This Form ADV Part 2A Brochure is not an offer to sell, or a solicitation of an offer to purchase, interests in the OIS-managed Funds. Such an offer can only occur when the prospective investor receives the offering documents.

As discussed above, the OIS Investment Program involves asset allocation models that may include the use the OIS-managed Funds. OIS has a perceived conflict of interest in recommending the OIS-managed Funds. The primary potential conflict of interest relates to the possibility of earning greater compensation by recommending the OIS-managed Funds versus equivalent third party funds. This conflict does not exist for OIS since the fee is assessed only on the client assets invested in OIS-managed Funds, there is no second level of fees that is collected. Therefore, OIS receives the same total fee from the client that would be received if the client invested in a third-party fund. Another potential conflict exists with respect to recommending one of the OIS-managed Funds that might not be suitable for a client over an equivalent third-party fund. OIS does not believe this conflict exists as a practical matter because given the highly customized nature of investing in the OIS-managed Funds, there are not “equivalent” funds available, and because recommendations are made only after a thorough assessment of client objectives, tolerance for risk, liquidity needs, and suitability as outlined in the IPS.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Pursuant to SEC Rule 204A-1, OIS has adopted a Code of Ethics that sets forth basic principles to help guide the daily conduct of OIS personnel. The Code includes a personal securities transaction policy and policies and procedures to detect and prevent insider trading. The Code, among other things, requires compliance with the federal securities laws, reflects OIS’ fiduciary responsibilities and those of OIS advisory personnel, prohibits certain personal securities transactions and requires pre-clearance of other securities transactions. The Code also includes policies and procedures on serving as officers, trustees and/or directors or advisers of outside organizations and participating in outside business activities.

OIS Code of Ethics is available upon request to clients and prospective clients.

OIS may, on occasion, directly purchase or sell a security within the OIS-managed Funds or client-specific portfolio, but trading occurs primarily at the underlying sub-manager level or within the separately-managed client account. In certain instances, employees may trade for their own accounts in securities which are recommended to and/or purchased for OIS clients. Because OIS permits such personal trading, this creates the conflict that employees could use their knowledge of pending client transactions in an attempt to benefit their own personal transactions. For example, if an employee owns a security the employee knows OIS or a sub-manager will be selling out of client accounts, the employee could sell the personal holding ahead of time in an effort to obtain a higher price than might exist when the client account holdings are sold. There is little practical likelihood that employees will have advance knowledge of sub-manager or Fund trading activity and the Code prohibits knowingly trading personal securities to benefit from client trades. The Code of Ethics also requires pre-approval of many types of securities transactions and imposes restrictions on the timing of personal securities transactions when client accounts are trading in the same securities.

In addition, eligible officers of OIS and OIS' parent, Okabena Company, are permitted to invest their personal funds in the OIS-managed Funds without the imposition of a management fee. OIS believes this opportunity demonstrates a strong conviction by employees in the Firm's investment management philosophy. Employees are generally subject to the same terms and condition as advisory clients and in accordance with the governing documents of each OIS-managed Fund and the practices and policies of OIS that are applicable to all clients.

See also Item 10 above.

The Chief Compliance Officer reviews all personal trading records of personnel on an ongoing basis, while the President reviews Compliance Officer's trading. These reviews are documented to ensure that personal trading is consistent with the Code of Ethics.

Item 12 - Brokerage Practices

As a general matter, given the nature of our advisory services, we do not engage in significant trading activity. Rather, the sub-managers and funds within the OIS-managed Funds as well as the separate account managers engage in most of the trading. We may from time to time transact in mutual funds, options or ETFs on behalf of the OIS-Managed Funds or other client accounts. We may also be asked to transact in specific securities by clients. In these contexts, we have authority to select broker dealers and the commission rates to pay. The primary consideration in placing portfolio transactions with broker dealers is to seek best execution. We attempt to achieve best execution by choosing brokers to execute transactions based on their professional capabilities, the value and quality of the services and products they provide, and the comparative brokerage commission rates which they offer as well as other relevant factors. Best execution is not synonymous with lowest brokerage commissions. Consequently, in a particular transaction, a client may pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction. In situations where our client does not already have a qualified custodian for their account, we recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and trade securities when we instruct them to.

Internal Cross Trades

We have adopted policies and procedures governing the purchase or sale of securities between client accounts, including from one OIS-managed Fund to another OIS-managed Fund (internal cross trade). This is not a common practice, and we would only seek to enter into such a transaction if we believed it was in the best interest of affected clients. This is accomplished via a transfer of interest for fair value between two clients, seeking to ensure that no client is disadvantaged by the transaction, and that we receive no remuneration for effecting the transaction.

Research and Soft Dollars

As a matter of policy and practice, OIS does not use client commissions to pay for research or brokerage services. Schwab offers non-soft dollar services which include custody of securities, trade execution, clearance and settlement of transactions. OIS receives some non-soft dollar benefits from Schwab through our participation in the program. Schwab provides OIS and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Without this arrangement, OIS might be compelled to purchase the same or similar services at our own expense. This is a potential conflict of interest. OIS believes that the selection of Schwab as custodian and broker is in the best interests of OIS clients. This decision is primarily supported by the scope, quality and price of Schwab's services and not Schwab's additional services that benefit only OIS or may only indirectly benefit our client.

Brokerage for Client Referrals

OIS does not receive client referrals from any broker dealer or third party as a result of selecting or recommending that broker dealer to clients.

Directed Brokerage

OIS does not recommend, request, or require that a client direct us to execute transactions through a specified broker dealer. OIS may honor a client request by placing a client-approved/requested securities transaction with a broker dealer of the client's choice. Any such direction must be in writing and accepted by OIS before it will be effective. In this scenario, the client has removed the broker dealer selection decision from OIS; therefore, we can provide no assurance of obtaining best execution for the client. Although OIS generally discourages such direction, OIS does permit client direction in certain circumstances, ensuring that clients are apprised of the potential risks associated with directed brokerage, including that it may cost the client more money for the following reasons:

- the direction may result in higher commissions, greater spreads or less favorable net prices than would be the case if OIS selected the brokers;
- the direction may result in trades for the client's account not being aggregated with similar trades for other client accounts and thus not eligible for the benefits that accrue to such aggregation of orders;
- as a result of not being aggregated, client transactions will generally be executed after client accounts whose trades are aggregated and may receive less favorable prices; and
- because of the direction, the client's account may not generate returns equal to those of other client accounts which do not direct brokerage.

Certain of the OIS-managed Funds participate in a commission recapture through one of their custodian banks, The Northern Trust Company. We have designated The Northern Trust Securities, Inc. (NTSI) and its correspondent network of broker dealer firms as preferred brokers for certain of our OIS-managed Funds. We have requested certain sub-managers to direct 30% of commissions, consistent with sub-manager's pursuit of best execution, and at their discretion, to NTSI and its eligible broker dealer firms. Such commissions will be negotiated by the sub-manager. The intent of this program is to reduce custodial fee charges and thus reduce the overall expenses paid by clients invested in the applicable OIS-managed Funds.

Order Aggregation

To the extent permitted by law and to the extent practicable, OIS is permitted to aggregate orders for the account of a Fund or client-specific portfolios, with orders for other accounts.

OIS may buy and sell the same securities for more than one advisory client simultaneously. OIS may aggregate a transaction in the same security for those clients for whom OIS has discretion to trade. If OIS is not able to fill an aggregated transaction, we will normally allocate the filled portion of the transaction to the client on a pro rata basis.

Allocation of Investment Opportunities

OIS may seek to purchase or sell investments on behalf of a OIS-managed Fund or client portfolio that is appropriate for other clients as well. It is OIS' general policy to allocate purchase or sale opportunities on a pro rata basis to all appropriate clients. However, OIS realizes that a pro rata allocation may not always be feasible or in the best interests of a client, but strive to ensure clients are treated equitably over time and that no client is systematically disadvantaged.

Trade Errors

In the course of carrying out trading and investing responsibilities on behalf of the OIS-managed Funds, or client-specific portfolios, where applicable, or in providing a courtesy trade for a client, investment personnel may make trading errors in executing specific trading instructions. Examples of trading errors include: buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy, or buying rather than selling a particular investment asset and vice versa. OIS' policy regarding trade errors requires that errors affecting a client's account be resolved promptly and fairly. The intent of the policy is to at least restore any client account affected by a trading error to the same financial position the account was in immediately prior to the occurrence of the trade error.

Item 13 - Review of Accounts

The OIS Investment Committee, which includes our President and Chief Investment Officer and the OIS Investment Manager, is responsible for all managed advisory client accounts. These accounts are monitored, reviewed, and rebalanced on a regular basis. OIS monitors and reviews client accounts for appropriateness of benchmarks, investment performance, and adherence to client-specific investment guidelines.

A formal portfolio review meeting of the OIS Investment Program as a whole is held monthly to discuss market developments, asset allocations of client accounts and to review all positions.

Tax-Exempt clients receive a preliminary monthly flash report summarizing estimated investment performance of the OIS-managed Funds and the Strategic Allocation Model and the final monthly flash report, with final performance for each of the OIS-managed Funds, the Strategic Allocation Model, relevant benchmarks, and market commentary.

Taxable clients receive a quarterly flash report summarizing investment performance and benchmarks that are specific to the OIS-managed Funds and taxable Models, including market commentary.

Advisory clients receive Quarterly Investment Reports covering activity through the end of the most recently completed calendar quarter. The report contains commentary covering the prevailing market and economic environment, a review of global financial market performance within the major asset classes, and discussions of portfolio performance along with the OIS investment outlook. Further, the report covers: end of period asset allocation, list of holdings/managers; Fund performance; client-specific account performance; Fund-specific commentary; and an extensive compilation of global reference index performance.

Item 14 - Client Referrals and Other Compensation

Neither OIS nor any of its employees receive any economic benefit, sales awards, or other prizes from any outside parties for providing investment advice to our advisory clients, nor does OIS compensate any person for client referrals in the form of arrangements with third party solicitors.

Item 15 - Custody

Under Rule 206(4)-2 of the Investment Advisers Act of 1940, OIS is deemed to have custody of the securities and other assets held in the OIS-managed Funds and discretionary client portfolios, even though OIS does not physically hold the securities and other assets. The OIS-managed Funds are audited in accordance with U.S. generally accepted accounting principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are distributed to each client in the OIS-managed Funds within 120 or 180 days, as applicable, of the end of each Fund's fiscal year.

OIS may recommend certain separately managed accounts, exchange-traded funds, mutual funds or other commingled vehicles to a client outside of the OIS-managed Fund investment platform and OIS debits the advisory fees on those assets from the client's custodial account. In these instances, OIS has instructed the custodian holding the assets on the client's behalf to send monthly statements of the client's account directly to the client. OIS urges those clients to compare those statements received from the custodian carefully with the reports OIS sends each quarter and bring any questions to OIS attention immediately.

Item 16 - Investment Discretion

OIS has investment discretion with respect to all securities and limited partnership interests owned by the OIS-managed Funds. This is set forth in the OIS-managed Funds governing documents and reflected in the applicable subscription documents. OIS also accepts investment discretion over client accounts as reflected in the Investment Advisory Agreements signed by clients. Any limitations on this discretion are reflected in a client's Investment Policy Statement. On a limited basis, OIS has non-discretionary Investment Advisory Agreements in which OIS does not have discretion over the client's account. OIS only makes investment recommendations with respect to such client assets and the ultimate decision what to invest in, and in what quantities, rests with the client.

Item 17 - Voting Client Securities

In the event that OIS is required to vote proxies, OIS has developed written proxy voting policies and procedures that are available upon request. The general principles underlying the policies and procedures are that OIS will vote any proxy or other beneficial interest in an equity security prudently and solely in the best, long-term, economic interest of advisory clients and their beneficiaries, considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. OIS' proxy voting guidelines cover certain types of proposals. These guidelines indicate whether OIS votes for or against a particular proposal, or whether the matter should be considered on a case-by-case basis. Certain of the OIS sub-managers do not vote the proxies of the securities they recommend. Rather, OIS votes the proxies consistent with OIS guidelines. Clients have the right to vote proxies with respect to client-specific holdings, which may be implemented by giving a written instruction to OIS.

OIS will make its best effort to avoid material conflicts of interest in the voting of proxies. However, where material conflicts of interest arise, OIS is committed to resolving the conflict in its clients' best interest. In situations where OIS perceives a material conflict of interest, OIS may: disclose the conflict to the relevant advisory clients and obtain their consent before voting; defer to the voting recommendation of the relevant advisory clients or an independent third party provider of proxy services; send the proxy directly to the relevant advisory clients for a voting decision; vote the proxy based on the voting guidelines set forth in the policies if the application of the guidelines to the matter presented involved little discretion on the part of OIS; or take such other action in good faith that would protect the interest of advisory clients.

Under certain circumstances, OIS may not be able to vote proxies or may find that the expected economic costs from voting outweigh the benefits associated with voting. For example, OIS may not vote proxies on certain foreign securities, local restrictions, or customs.

Clients may request a copy of OIS' proxy voting policies and procedures, as well as client specific relevant proxy voting records, by calling (612) 339-7151.

Item 18 - Financial Information

OIS does not have any financial impairment that will preclude the firm from meeting contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.

Other Information

As the use of technology and the Internet has become more prevalent in the course of business, OIS has become more susceptible to operational, financial, and information security risks resulting from cybersecurity breaches or other cyber-attacks. Cyber incidents can result from deliberate attacks or unintentional events and include, but are not limited to, gaining unauthorized access to electronic systems for purposes of misappropriating assets, sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites.

Cyber incidents affecting OIS or any its service providers have the ability to cause disruptions and affect business operations, potentially resulting in financial losses, interference with the ability to calculate account values, impediments to trading, the inability to transact business, destruction of equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs. In addition, substantial costs may be incurred to prevent any cyber incidents in the future. Similar adverse consequences could result from cyber incidents involving counterparties with which OIS engages in transactions: governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties.

OIS uses a combination of internal and external resources and vendors to mitigate cybersecurity threats. Such various internal controls include an Incident Response Plan, firewall protection, virus scanning services, encryption, patch management, staff training to protect the confidentiality and integrity of information and data replication, and offsite hosting to ensure the availability of data. External resources include a third party review and assessment of the firm's information security systems and controls to assess the adequacy and effectiveness of the systems/controls employed by the firm, and to judge the level of risk posed to our stakeholders, clients, contractors, and employees. OIS' Information Resource Policy is designed and implemented to protect the confidentiality, integrity, and availability of the data employed within the firm while providing value in the way we conduct business.

Although these policies and controls are reasonably designed to prevent or detect, identify, respond to and recover from cybersecurity incidents, there are inherent limitations including the possibility that certain threats and vulnerabilities have not been identified or made public due to the evolving nature of cybersecurity threats. As such, there is a possibility that OIS has not adequately prepared for or identified certain risks. Furthermore, OIS cannot directly control any cybersecurity plans and systems put in place by its service providers.

Cybersecurity risks are also present for issuers of securities in which a client account invests, which could result in material adverse consequences for such issuers, and may cause a client account's investment in such securities to lose value.