

Spruce Private Investors, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Spruce Private Investors, LLC (“Spruce”). If you have any questions about the contents of this brochure, please contact us at 203-428-2600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SPRUCE is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

SPRUCE's most recent update to Part 2 of Form ADV was made in March 2011. SPRUCE's business activities have not changed materially since the time of that update. However, in 2011 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by SPRUCE in prior years.

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Advisory Business

Spruce Private Investors, LLC ("Spruce") provides investment management services to individually managed client accounts (the "Managed Accounts") directly and through a multi-manager program.

Spruce also provides investment management services to private pooled investment vehicles organized as Delaware limited partnerships, Spruce Absolute Return Fund LP, Spruce Global Equity Fund LP, Spruce Real Assets Fund LP, Spruce Private Investments Fund LP, Spruce Bond Fund LP, Spruce Tax-Exempt Fund LP, Spruce High Income Fund LP, Spruce Liquid Absolute Return Fund LP, Spruce Equity Fund LP (the "Domestic Funds"). In addition Spruce provides investment management services to private pooled investment vehicles organized as Cayman Limited Companies, Spruce Absolute Return Fund (Offshore) Ltd, Spruce Global Equity Fund (Offshore) Ltd, Spruce Real Assets Fund (Offshore) Ltd (the "Cayman Funds"). The interests in these funds are offered to investors on a private placement basis, pursuant to Section 3(c)(1) and Section 3(c) (7) of the Investment Company Act of 1940, to persons who are "accredited investors" as defined under the Securities Act of 1933 and "qualified purchasers" as defined under the Investment Company Act of 1940. In connection with providing these investment

management services, Spruce Capital Management, LLC, an affiliate of Spruce, has been appointed General Partner with discretionary trading authorization.

Fees and Compensation

SPRUCE charges most of its clients an annual investment management fee based on the following schedule:

Option 1: Diversified Portfolio with Management Fee Only

Diversified Portfolio w/ Management Fee

Management Fee	
Assets (\$)	Percent of Assets
First \$50,000,000	0.75%
Next \$50,000,000	0.40%
Next \$100,000,000	0.20%
And Above...	0.10%

** Requires a blend of traditional and alternative investments, and subject to minimum annual fee of \$100,000*

Management Fee to be determined in accordance with Schedule D.

Initial if you choose Option 1: _____

Option 2: Alternative Investments Only with Management Fee Only

Alternatives Only w/ Management Fee

Management Fee	
Assets (\$)	Percent of Assets
First \$50,000,000	1.50%
Next \$50,000,000	1.00%
Next \$100,000,000	0.75%
And Above...	0.50%

** Subject to a minimum annual investment of \$5 million*

Management Fee to be determined in accordance with Schedule D.

Initial if you choose Option 2: _____

SPRUCE imposes a minimum annual fee of \$100,000, which may be waived or reduced.

SPRUCE charges fees monthly and/or quarterly in arrears based on the account value at the end of the prior month/quarter. Most clients authorize SPRUCE to deduct fees automatically from their custodial accounts, but clients may request that SPRUCE send monthly invoices to be paid by check.

Performance Based Fees and Side-by-Side Management

SPRUCE does not charge any performance fees.

Types of Clients

Spruce primarily provides customized investment management services to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or other business entities. In addition, Spruce provides advice and oversight to proprietary private investment funds

and are exempt from registration under Section 3(c)(7) of the Investment Company Act of 1940. Investors in the Funds generally include those persons and entities identified above.

Methods of Analysis, Investment Strategies and Risk of Loss

We provide investment advice to the types of investments including but not limited to exchange-listed securities, securities traded over the counter, foreign issuers, municipal securities, mutual funds, option contracts, futures contracts, partnerships investing in real estate and oil and gas interests. In addition we provide advice with respect to other private investment fund interests including the proprietary Absolute Return Fund LP, Global Equity Fund LP, Spruce Real Assets Fund LP, Spruce Private Investments Fund LP, Spruce Bond Fund LP, Spruce Tax-Exempt Fund LP, Spruce High Income Fund LP, Spruce Liquid Absolute Return Fund LP, Spruce Equity Fund LP, Spruce Absolute Return Fund (Offshore) Ltd, Spruce Global Equity Fund (Offshore) Ltd, Spruce Real Assets Fund (Offshore) Ltd.

All investing involves a risk of loss.

Disciplinary Information

SPRUCE and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Spruce Capital Management, LLC, a related person to Spruce, acts as the general partner of the Funds. Certain of Spruce's clients with individually managed accounts may invest in the Funds. Absent specific authority, Spruce does not exercise discretionary authority with respect to such clients' decision to invest in the Funds.

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

Spruce's partners, officers and employees may from time to time make personal investments in securities or instruments in which Spruce or its affiliates may invest the Funds' and/or Managed Accounts' assets. Spruce's personnel may buy, sell, or hold securities or other instruments for their own accounts while entering into different investment decisions for one or more Funds Managed Accounts.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Spruce, its affiliates, and personnel (each an "Advisory Affiliate" and, collectively, the "Advisory Affiliates"). Spruce has established policies and procedures to monitor and resolve conflicts and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. The Advisory Affiliates may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of the Funds or Managed Accounts. The Advisory Affiliates may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for the Funds or Managed Accounts. These activities may adversely

affect the prices and availability of other securities or instruments held by or potentially considered for one or more Funds or Managed Accounts. Potential conflicts also may arise due to the fact the Advisory Affiliates may have investments in some Funds but not in others or may have different levels of investments in the various Funds, and because the Funds may pay different levels of fees to Spruce.

In addition, Spruce may give advice or take action with respect to the investments of one or more Funds or Managed Accounts that may not be given or taken with respect to other Funds or Managed Accounts with similar investment programs, objectives, and strategies. Accordingly, Funds and Managed Accounts with similar strategies may not hold the same securities or instruments or achieve the same performance. Spruce also may advise Funds and/or Managed Accounts with conflicting programs, objectives or strategies. These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Funds and/or Managed Accounts. Finally, Spruce and its personnel may have conflicts in allocating their time and services among the Funds and/or Managed Accounts. Spruce will devote as much time to each Fund and/or Managed Account as Spruce deems appropriate to perform its duties in accordance with its management agreements. Spruce recognizes that conflicts may arise under such circumstances and will endeavor to treat all Funds and Managed Accounts fairly and equitably.

Spruce strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, the Spruce has adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of the Funds and Managed Accounts, including the Funds' investors, must be kept confidential; and independence in the investment decision-making process must be maintained at all times. The Code also places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the Spruce on a periodic basis, and requires that employees preclear certain types of personal securities transactions.

Investors may request a copy of the Code by contacting the Spruce at the address or telephone number listed on the first page of this document.

Spruce also maintains Insider Trading policies and procedures (the "Insider Trading Policies") that are designed to prevent the misuse of material, non-public information. Spruce's personnel are required to certify to their compliance with the Code, including the Insider Trading Policies, on a periodic basis.

Spruce's Insider Trading Policies prohibit Spruce and its personnel from trading for the Funds and Managed Accounts or themselves, or recommend trading, in securities of a company while in possession of material, non-public information ("Inside Information") about the company, and from disclosing such information to any person not entitled to receive it. By reason of its various activities, Spruce may have access to Inside Information or be restricted from effecting

transactions in certain investments that might otherwise have been initiated. Spruce has designed and implemented policies and procedures reasonably designed to shield its investment professionals in most cases from access to Inside Information so that investment decisions may be made on the basis of public information only. Among other things, such policies seek to control and monitor the flow of Inside Information to and within Spruce, as well as prevent trading based on Inside Information. Accordingly, Spruce may not have access to Inside Information that other market participants or counterparties are eligible to receive.

Notwithstanding such policies and procedures, there may be certain cases where Spruce either may receive Inside Information due to its various activities on behalf of itself or the Funds and/or Managed Accounts or may be restricted in acting for the Funds and/or Managed Accounts, resulting in limited liquidity or using such information for the benefit of certain clients in specific securities. Spruce seeks to minimize those cases whenever possible, consistent with applicable law and our Insider Trading Policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

Brokerage Practices

In selecting brokers, banks, and dealers to effect portfolio transactions, the General Partner for the Domestic Funds and Spruce for the Cayman Funds and the Managed Accounts, seeks best execution and has authority to and may consider such factors as price, size of order, difficulty of execution, the ability of the brokers, banks, and dealers to effect the transaction, operational facilities of the firm involved and the firm's risk in positioning a block of securities, reliability and financial responsibility and any products or services provided by such brokers, banks, and dealers. Such products and services generally may be of benefit to the Funds and Managed Accounts but may not directly relate to transactions on behalf of any particular Fund or Managed Account or any investment companies in which a Fund or Managed Account is invested. Accordingly, if Spruce or the General Partner determines in good faith that the amount of transaction costs (e.g., commissions, markups, and markdowns) imposed by a broker, bank, or dealer is reasonable in relation to the value of the products or services provided by such broker, bank, or dealer, Spruce or the General Partner may incur transaction costs to such broker, bank, or dealer in an amount greater than the amount that might be incurred if another broker, bank or dealer were used. Products or services may include research reports on particular sectors, industries, and companies, written information and analyses concerning specific securities, economic surveys and analyses, statistics and pricing or appraisal services, as well as discussion with research personnel, recommendations as to specific securities and other products or services (e.g., quotation equipment and computer-related costs and expenses) providing lawful and appropriate assistance to Spruce or the General Partner in the performance of its investment decision-making responsibilities. "Soft dollar" payments or rebates of amounts paid to brokers, banks, and dealers may arise from over-the-counter principal transactions, as well as exchange traded agency transactions.

The use of commissions or "soft dollars" to pay for research products or services will generally fall within the safe harbor for soft dollars created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), research obtained with soft dollars may be used by Spruce or the General Partner to service other accounts. Where a product or service obtained with commission dollars provides both research and non-research assistance, Spruce and the General

Partner will generally make a reasonable allocation of the cost which may be paid for with commission dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Spruce's allocation of the costs of such benefits and services between those that primarily benefit Spruce and those that primarily benefit the Funds and Managed Accounts.

In no case will Spruce make binding commitments as to the level of brokerage commissions it will allocate to a broker, bank or dealer nor will it commit to pay cash if any informal targets are not met. A broker, bank or dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Review of Accounts

Spruce reviewers, who are listed in part 2B, have the primary responsibility for reviewing client accounts. The number of accounts assigned to each reviewer varies as a result of differing client characteristics and requirements. The individual who is in charge of leading the account review is in charge of the client relationship. Gil Orbach and John Bailey work collectively on client analysis and reviews.

The Managed Accounts and Spruce Funds are reviewed regularly for diversification, performance, risk tolerance, and to ensure consistency with each Managed Account's and/or Fund's investment guidelines.

Investors in the Spruce Funds receive monthly statements from SEI Global Services, Inc, the Funds' administrator, documenting the capital account balance and performance of their account. Spruce sends to each Managed Account owner and Fund investor a monthly statement which documents the performance of their entire portfolio. Spruce Funds auditors prepare K-1's and tax reports and audited financial statements to Spruce Fund investors concerning their respective funds within 180 days of the end of the Fund's fiscal year.

Client Referrals and Other Compensation

Spruce does not compensate for referrals.

Custody

All clients' accounts are held in custody by unaffiliated broker/dealers or banks. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by SPRUCE.

Investment Discretion

Spruce has the authority, with regard to most of its clients, to determine the securities to be bought and sold and the amount and price of those securities. Spruce's authority is limited by its own internal policies and procedures and each Fund's or managed account's investment guidelines. Spruce effects transactions for client accounts primarily in hedge funds and mutual funds.

For non-discretionary clients, Spruce creates a recommended Asset Allocation and Implementation Schedule on an ongoing basis. Upon authorization from the client, the implementation will be completed.

Investment policy statements are crafted for most clients. Certain clients require that every security transaction recommended by Spruce be authorized in advance and other clients have given us the authority to rebalance their portfolio on a routine basis

Voting Client Securities

Spruce has not engaged in proxy voting in 2010. Should the portfolio composition change in the future SPRUCE will adopt and implement written policies and procedures governing the voting of client securities. All proxies that SPRUCE receives will be treated in accordance with these policies and procedures.

Financial Information

SPRUCE has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.