



Item 1

Cover Page

## **Part 2A of Form ADV Springbok Capital Management, LLC Brochure**

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This brochure provides information about the qualifications and business practices of Springbok Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 546-1180 or at [info@preludecapital.com](mailto:info@preludecapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Springbok Capital Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Springbok Capital Management, LLC may refer to itself as a registered investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"). These references do not imply a certain level of skill or training.

March 31, 2014

## **Item 2           Material Changes**

The changes below represent only those material changes to our firm since our previous annual update, dated March 30, 2013.

Springbok Capital Management, LLC (“Springbok”, “we”, “us” or “our”) is in the process of implementing changes relating to interests offered by certain of our advisory clients. Effective on April 1, 2014, the Prelude Investors Fund, LP (the “Partnership”), which acts as a designated feeder into the Prelude Opportunity Fund, LP (the “Underlying Fund”), will commence offering two new classes of interests in lieu of the general interests currently offered; the preferred interest class will remain unchanged. In connection therewith, related changes will be implemented at the Prelude Capital Offshore, Ltd. (the “Offshore Fund”, and together with the Partnership and the Underlying Fund, the “Funds”) level.

As a result, effective as of April 1, 2014, the Partnership will have three types of limited partners: limited partners who own preferred limited partnership interests (the “Preferred Investors”), limited partners who own senior limited partnership interests (the “Senior Investors”) and limited partners who own subordinated limited partnership interests (the “Subordinated Investors”). Each class of limited partner will have a different fee structure.

The Offshore Fund, a Cayman Islands exempted company, invests all of its assets into the Partnership. As such, effective on April 1, 2014, the Offshore Fund will offer three types of shares, those which bear the characteristics of the Partnership’s preferred interests, those which bear the characteristics of the Partnership’s senior interests and those which bear the characteristics of the Partnership’s subordinated interests.

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#### **Item 4            Advisory Business**

##### **A. General Description of Advisory Firm**

Springbok is a specialized asset management firm focused on a defined set of global investment strategies. In particular, Springbok offers asset allocations to a variety of managers selected by Springbok. Springbok has been in operation since March 2004 and has been providing the type of advisory services described herein since 2010. Springbok is managed by its principal owners and managing members, Gavin Saitowitz and Cisco J. del Valle.

##### **B. Description of Advisory Services**

Springbok provides investment advisory services focused on the securities markets through the allocations made to a variety of third party managers (“Sub-Advisors”) through separate accounts within the Underlying Fund, which utilizes a multi-account structure. Each Sub-Advisor actively manages the assets allocated to it by Springbok in accordance with separate sub-advisory agreements and Springbok provides top-level oversight of the Sub-Advisors. In particular, each sub-advisory agreement contains provisions and trading restrictions specific to the relevant Sub-Advisor, subject at all times to Springbok’s supervision; Springbok’s oversight is focused on ensuring that the applicable investment guidelines and parameters are observed. In addition, the Sub-Advisor or an entity related to the Sub-Advisor (each such entity a “Special Investor”) invests in the Underlying Fund for the purpose of contributing a designated amount of subordinated risk capital with respect to the allocation it will receive from the Underlying Fund. The investment strategy of each client of Springbok is set forth in each client’s offering documents and partnership agreements (as the case may be).

##### **C. Availability of Tailored Investment Services**

At present our clients consist of private funds with varying structures. Investors in any fund managed by Springbok cannot generally place investment restrictions on us. Such prospective investors may consider opening a separately managed account with Springbok in which instance our investment advisory services may be tailored to the individual needs of each such client. In particular, we would consider a client’s size, investment mandate, interest in leverage, tax implications and sophistication when investing. Springbok does not, however, presently advise any separately managed accounts.

##### **D. Wrap Fee Programs**

Not applicable.

## **E. Assets Under Management**

As of February 28, 2014, Springbok managed on a discretionary basis approximately \$1,286,399,449 in client assets. Springbok does not presently provide investment advisory services for any clients on a non-discretionary basis.

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

#### **A. Fees Related to Advisory Services**

***The Partnership and the Offshore Fund:*** Effective as of April 1, 2014, the Partnership will have three types of limited partners: Preferred Investors, Senior Investors and Subordinated Investors. Each class of limited partner has a different fee structure. The Offshore Fund invests all of its assets into the Partnership and effective as of April 1, 2014, the Offshore Fund will offer three types of shares, those which bear the characteristics of the Partnership's preferred interests, those which bear the characteristics of the Partnership's senior interests and those which bear the characteristics of the Partnership's subordinated interests. Springbok's fees and expenses are paid indirectly in part by the Offshore Fund through its investment in the Partnership, whereas most of Springbok's fees and expenses are paid as described below. Fees borne by the Partnership and the Offshore Fund may be negotiable.

Effective as of April 1, 2014, we will charge a management fee to the preferred and subordinated classes of limited partner. The management fee is set at a fixed amount of \$150,000 per month, which may be borne by all of the preferred and subordinated class investors or may be waived with respect to any individual or class of investor; a smaller percentage of this fee is borne by the Preferred Investors compared to the Subordinated Investors.

***The Underlying Fund:*** The Partnership is a designated feeder into the Underlying Fund. Within the Underlying Fund, allocations are made by Springbok to Sub-Advisors. Sub-Advisors generally receive compensation from the Partnership for the advisory services provided. Either the Sub-Advisor or its related Special Investor invests in the Underlying Fund for the purpose of contributing a designated amount of subordinated risk capital to the Underlying Fund with respect to the allocation it will receive from the Underlying Fund.

We do not currently charge management fees to the Underlying Fund.

Please see ***Item 6 Performance-Based Fees and Side-By-Side Management*** for additional information.

#### **B. Payment of Fees**

Management fees at the Partnership level are deducted out of the Partnership's assets on a monthly basis. Clients may not select an alternative method of fee payment. Fees are deducted on the first day of each month.

#### **C. Other Fees and Expenses**

The Partnership is responsible for any financing or brokerage-related expenses (such as custodial, brokerage, margin interest, negative rebates, exchange fees, market access or technology fees); administrative and operational expenses (such as fund administration, tax, audit, legal, insurance, cash management, regulatory, compliance, due diligence, monitoring, reporting (which shall include, for the avoidance of doubt, all applicable regulatory filing costs including, but not limited to, the costs

associated with filing Form ADV and Form PF), communications, risk management, software); organizational expenses (including expenses related to the drafting of the Partnership's constitutive documents and any directly or indirectly related structuring costs); expenses related to the selection and analysis of Sub-Advisors (such as travel, lodging, entertainment, conference/speaker fees, industry association fees, executive search fees) and similar expenses of the Partnership and the Underlying Fund. The Offshore Fund is responsible for its pro rata share of the Partnership's expenses and its own specific expenses. The Partnership may bear brokerage fees related to the Underlying Fund. Please see **Item 12 Brokerage Practices** for additional information.

#### **D. Prepayment of Fees**

Springbok's management fee is prepaid on the first day of each calendar month. Investors generally have the right to withdraw from the Partnership as of the last day of each calendar quarter. As such, there is no rebating of management fees.

#### **E. Compensation for the Sale of Securities**

None of Springbok or any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

### **Item 6                      *Performance-Based Fees and Side-By-Side Management***

Effective as of April 1, 2014, each interest class of investors will receive a certain percentage of the Partnership's profits. Prelude Capital Partners, LLC (the "General Partner"), an affiliate of Springbok that serves as the general partner to the Partnership, is entitled to receive a performance-based allocation which, effective as of April 1, 2014, will be up to fifty percent (50%) of the overall net profits of each Subordinated Investor (the "Performance Allocation"), payable at the end of each year or at the time of withdrawal of a Subordinated Investor from the Partnership. The General Partner will deduct the Performance Allocation directly from each Subordinated Investor's capital account in arrears.

Springbok's affiliate's right to receive performance-based compensation may create an incentive for Springbok to cause a client to make investments that are riskier or more speculative than would be the case if Springbok's affiliate did not receive such compensation.

To the extent Springbok does not charge performance-based compensation to one or more clients, such clients should be aware that Springbok (or an affiliate) has an incentive to favor other client accounts that are charged performance-based compensation (whether directly or through an affiliate) if Springbok (or an affiliate) would receive compensation based on the returns of such performance compensation paying clients.

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

We provide investment advisory services to limited partnerships and a foreign company.

US investors in the Partnership are required to meet certain suitability thresholds including being an accredited investor (as defined in Regulation D of the Securities Act of 1933, as amended (the "Securities Act")) and a qualified client (as defined in the Advisers Act), as applicable, and all investors are required to meet general sophistication requirements. All investors in the Partnership are required to invest a minimum amount of US\$1,000,000, subject to the terms of its partnership agreement, which amount

may be waived in the sole discretion of the General Partner. There is no minimum amount required to be maintained in the Partnership.

US investors in the Offshore Fund are also required to meet certain suitability thresholds including being an accredited investor. The minimum initial subscription to invest in the Offshore Fund is US\$100,000. There is no minimum amount required to be maintained in the Offshore Fund.

US investors in the Underlying Fund are required to meet certain suitability thresholds including being an accredited investor and a qualified client, if applicable, and all investors are required to meet general sophistication requirements. There is no minimum investment amount required initially with respect to the Underlying Fund, however, there are certain threshold investment amounts that Special Investors must maintain in their capital accounts at the Underlying Fund level. These are negotiated on a case-by-case basis with Springbok. In order for each Special Investor to maintain its investment, its related Sub-Advisor must remain in compliance with the risk guidelines and other terms outlined in its sub-advisory agreement.

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

### **A.    Methods of Analysis and Investment Strategies**

Springbok primarily allocates assets of its clients to Sub-Advisors within the Underlying Fund who in turn invest in a variety of securities across a range of strategies. The Partnership invests exclusively in the Underlying Fund. Please see *Item 4 Advisory Business* for additional information.

Each allocation Springbok makes to a Sub-Advisor is made in conjunction with an investment of subordinated capital in the Underlying Fund by such Sub-Advisor's related Special Investor which is equal to a designated amount of the overall allocation the Sub-Advisor initially receives. The trading strategies vary and may consist of a variety of securities investments, whether long or short, and may incorporate derivatives, futures, currencies, commodities and other specialized investment techniques with the prior approval of Springbok.

Springbok employs a team of experienced professionals to conduct "Sub-Advisor research". This team is responsible for meeting with prospective Sub-Advisors to ascertain whether or not they would be appropriate for a Springbok allocation. Initial meetings focus on the prospective Sub-Advisor's history and track record, including the relevant employment experience of its portfolio managers. Later-stage discussions include a more focused review of the prospective Sub-Advisor's investment strategy and portfolio holdings. If Springbok and the prospective Sub-Advisor decide to pursue a relationship, Springbok will conduct additional due diligence on the Sub-Advisor, including conducting background investigations of its portfolio managers and employing an independent third-party to conduct additional, detailed operational due diligence.

### **B.    Risk of Loss**

References in this section to "Springbok", "we" or "us" shall be read to include trading effected by the "Sub-Advisors" on behalf of Springbok, unless the context otherwise requires. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds.

*Risks of Derivatives.* We may trade derivatives. The risks posed by derivatives include (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial

obligations); (2) market risks (adverse movements in the price of a financial asset or commodity); (3) legal risks (an action by a court or by a regulatory or legislative body that could invalidate a financial contract); (4) operations risks (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risks (exposure to losses resulting from inadequate documentation); (6) liquidity risks (exposure to losses created by the inability to prematurely terminate a derivative); (7) system risks (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risks (exposure to losses from concentration of closely-related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risks (the risk that a client faces when it has performed its obligations under a contract but has not yet received value from its counterparty).

*Options.* We may engage from time to time in various types of options transactions. An option gives the purchaser the right, but not the obligation, upon exercise of the option, either (i) to buy or sell a specific amount of the underlying security at a specific price (the “strike” price or “exercise” price), or (ii) in the case of a stock index option, to receive a specified cash settlement. To purchase an option, the purchaser must pay a “premium,” which consists of a single, nonrefundable payment. Unless the price of the securities underlying the option changes and it becomes profitable to exercise or offset the option before it expires, a client may lose the entire amount of the premium. The purchaser of an option runs the risk of losing the entire investment. Thus, a client may incur significant losses in a relatively short period of time. The ability to trade in or exercise options also may be restricted in the event that trading in the underlying securities interest becomes restricted. Options trading may also be illiquid in the event a client’s assets are invested in contracts with extended expirations. Springbok may purchase and write put and call options on specific securities, on stock indices or on other financial instruments and, to close out its positions in options, may make a closing purchase transaction or closing sale transaction. In theory, the exposure to loss is potentially unlimited in the case of an uncovered call writer (i.e., a call writer who does not have and maintain during the term of the call an equivalent long position in the stock or other security underlying the call), but in practice the loss is limited by the term of existence of the call. The risk for a writer of an uncovered put option (i.e., a put option written by a writer that does not have and maintain an offsetting short position in the underlying stock or other security) is that the price of the underlying security may fall below the exercise price.

*Subordinated Risk Capital Investment.* A Special Investor’s investment in the Underlying Fund, which constitutes a contribution of risk capital to the Underlying Fund relevant to the allocation its related Sub-Advisor manages on behalf of the Underlying Fund, sits in a subordinated position with respect to losses incurred by such related Sub-Advisor’s sub-account. Any losses incurred by the Sub-Advisor’s sub-account will be borne first by such Special Investor’s risk capital contribution and as such, a Special Investor must be prepared to bear the potential loss of such capital as described in detail in the Underlying Fund’s offering document and partnership agreement, as well as any sub-advisory agreement to which it is a party.

*Hedging Transactions.* We may utilize a variety of financial instruments such as derivatives, options, swaps and forward contracts, both for investment purposes and for risk management purposes. Hedging also involves special risks including the possible default by the other party to the transaction, illiquidity and, to the extent our assessment of certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if hedging had not been used. A client is subject to the risk of the failure or default of any counterparty to a client’s transactions. If there is a failure or default by the counterparty to such a transaction, such client will have contractual remedies pursuant to the agreements related to the transaction (which may or may not be meaningful depending on the financial



position of the defaulting counterparty). A client may seek to minimize counterparty risk through the selection of financial institutions and types of transactions employed. However, a client's operational mechanisms may involve counterparty and other risk elements that may create unforeseen exposures.

*Futures.* Springbok may engage in futures transactions. We are not limited in the amount of futures activity in which a client may invest. Futures contracts are usually made on a futures exchange which call for the future delivery of a specified "commodity" at a specified time and place. These contractual obligations, depending on whether one is a buyer or a seller, may be satisfied either by taking or making physical delivery of the "commodity" or by making an offsetting sale or purchase of an equivalent futures contract on the same exchange prior to the end of trading in the contract month. Futures prices may be highly volatile. Financial instrument and foreign currency futures prices are influenced by, among other things, interest rates, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency devaluations and revaluations. A client's profitability will depend on Springbok's ability to analyze price movements in those markets. Because low margin deposits are normally required, an extremely high degree of leverage is obtainable in futures trading. A relatively small price movement in a futures contract, consequently, may result in large losses. Thus, like other highly leveraged investments, any purchase or sale of a futures contract may result in losses which exceed the amount invested.

*Forward Trading.* A client's investment program may include forward contracts. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which Springbok would otherwise recommend, to the possible detriment of a client. In respect of such trading, a client would be subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in substantial losses to such client.

*Short Selling and Leverage.* A client's investment program may include such investment techniques as short selling and leverage which practices can, in certain circumstances, maximize the adverse impact to which such client's investments may be subject.

*Short Selling.* A client may sell short securities of an issuer in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received in the short sale. If the price of the issuer's securities declines, a client may then cover the short position with securities purchased in the market. The profit realized on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the federal securities laws

and the various national and regional securities exchanges, which restrictions could limit a client's investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase.

*Leverage.* A client expects to use leverage in its investment program when deemed appropriate by Springbok and subject to applicable regulations. The amount of such leverage may be substantial. Leverage creates an opportunity for greater yield and total return, but at the same time increases exposure to capital risk and higher current expenses. If a client purchases securities on margin and the value of those securities declines, such client may be obligated to pay down the margin loans to avoid liquidation of the securities. If loans to a client are collateralized with portfolio securities that decrease in value, such client may be obligated to provide additional collateral to the lender in the form of cash or securities to avoid liquidation of the pledged securities. Any such liquidation could result in substantial losses. Moreover, counterparties of a client, in their sole discretion, may change the leverage limits that they extend to a client.

*Side Letters.* Any of the Funds may from time to time, to the fullest extent permitted by the relevant Fund's constitutive documents and applicable law, seek to induce investment in such Fund by offering investment terms to certain prospective or current investors which are not generally available to investors in that Fund. In such cases the parties will enter into a written side arrangement varying the standard terms of an investment in such Fund. Such variations may include, without limitation but as permitted by the relevant Fund's constitutive documents and applicable law, variations to fees, minimum investment or redemptions, with the effect that not all investors in such Fund will invest on the same terms and some investors may be expected to enjoy more favorable terms than others.

*Transaction Expenses.* We may make frequent trades in securities. Frequent trades typically result in correspondingly high transaction costs.

*In view of the foregoing considerations, an investment with Springbok is suitable only for investors who are capable of bearing the relevant risks (including a total loss of investment) and conflicts of interest. To the extent that prospective investors/clients would benefit from an independent review, such benefit is not available through Springbok or any of its affiliates. Prospective investors/clients are encouraged to seek the advice of independent legal counsel in evaluating the risks of any offering. In addition, as a client's investment program develops and changes over time, an investment with Springbok may be subject to additional and different risks.*

### **C. Risk Associated with a Particular Type of Security**

Not applicable.

### **Item 9 Disciplinary Information**

Not applicable.

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

#### **A. Registration as a Broker-Dealer**

Neither Springbok nor any of Springbok's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

**B. Registration as a Futures Commissions Merchant, Commodity Pool Operator or Commodity Trading Advisor**

Neither Springbok nor any of Springbok's management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of any of the foregoing.

**C. Material Relationships**

The General Partner, a related person of Springbok, serves as the Partnership's general partner. This relationship creates an incentive for Springbok to make investment allocations that are riskier or more speculative than would be the case if the General Partner (an affiliate of Springbok) did not receive incentive compensation from the Partnership for serving as the general partner to the Partnership.

**D. Conflicts of Interest in Selecting Other Investment Advisers for which Springbok Receives Compensation**

Not applicable.

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

**A. Code of Ethics**

In accordance with Rule 204A-1 of the Advisers Act, Springbok has adopted a code of ethics (the "Code"). The Code sets forth standards of conduct expected of advisory personnel, addresses safeguarding material nonpublic information about client transactions and addresses conflicts that arise from personal trading by advisory personnel.

It is our policy that our operations be conducted in compliance with the law and with the highest ethical standards. This policy applies to all employees and others working on behalf of Springbok wherever located. Each employee has an obligation to act at all times in an honest and ethical manner and with the highest integrity in dealings with clients and/or any third party.

The Code is designed to, among other things, provide a statement of the general standards of conduct required by us of our employees, including in such areas as conflicts of interest, confidential information, use of Springbok property, personal securities investing and illegal insider trading.

The foundation of the Code consists of three underlying principles: (1) employees must at all times place the interests of Springbok's clients before their own interests, (2) employees must make sure that all personal securities transactions are conducted consistent with the Code and the Springbok employee investment policy (the "EIP"), and in such a manner as to avoid any actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility and (3) employees should not take inappropriate advantage of their positions (for example, the receipt of investment opportunities, perquisites or gifts from persons seeking business with Springbok could call into question the exercise of an employee's independent judgment).

As with all policies and procedures, the Code is designed to cover a variety of circumstances and conduct; however, no policy or procedure can anticipate every potential conflict of interest that can arise in connection with personal trading. Consequently, employees are expected to abide not only by the letter of the Code, but also by the spirit of the Code.

Because our policies, governmental regulations and industry standards relating to personal trading and potential conflicts of interest can change over time, we may modify any or all of the policies and procedures set forth in the Code. Employees will be given written notification in the event that Springbok revises the Code. It is the responsibility of each employee to become familiar with any modifications to the Code.

We will provide a copy of the Code to any client or prospective client upon request. Such a request should be submitted by contacting Springbok at (212) 546-1180 or at [info@preludecapital.com](mailto:info@preludecapital.com).

## **B. Potential Conflicts Regarding Securities Recommendations**

Not applicable.

## **C. Personal Trading and Related Issues**

We permit our employees to engage in personal trading, subject to the provisions of the Code and the EIP. Springbok takes various steps to limit potential conflicts of interest and to monitor employee trading. Specifically, we prohibit any employee from representing Springbok or a client in any transaction where the employee's outside business interests could compromise his or her ability to fairly represent Springbok or its clients. Our employees are prohibited from owning interests in any corporation or participating in any outside business activity which Springbok reasonably believes could compromise the employee's loyalty to Springbok or its clients. Employees have a duty to notify the Chief Compliance Officer of any outside business activity, so the Chief Compliance Officer may monitor the situation for potential conflicts.

Our employees must pre-clear all trades with the Chief Compliance Officer (with limited exceptions for non-covered securities such as open-ended mutual funds or ETFs). Employees provide the Chief Compliance Officer with their brokerage statements on a quarterly basis and complete quarterly holding reports. Employees also provide the Chief Compliance Officer with the account information of all covered trading accounts so they may be accurately monitored.

Since it is not possible to contemplate all situations that might involve conflicts of interest, it is our policy that if an employee has any doubts or questions about the appropriateness of any interests or activities, that employee should contact the Chief Compliance Officer immediately.

With respect to potential conflicts regarding an employee's personal trading and, in a broader sense financial interests in general, no employee or other person working on behalf of Springbok, individual members of the employee's immediate family, or persons living in the employee's household may own, directly or indirectly, any interest in any corporation or other entity if ownership of such interest could compromise the loyalty or judgment of such employee or person working on behalf of Springbok. Whether a particular financial interest will constitute a conflict of interest or the appearance thereof will vary depending on the circumstances.

We strictly prohibit employees from engaging in any activity that could be considered illegal insider trading. We specifically forbid, among other things: (1) any trading while in possession of material, non-public information, (2) recommending the purchase or sale of any securities while in possession of material, non-public information and (3) communicating material, non-public information to others. Springbok attempts to curb any illegal insider trading by monitoring, and requiring the pre-clearance of, its employees' trades and by educating its employees as to what may constitute illegal insider trading, what actions are prohibited and what the potential penalties are for engaging in such illegal conduct.

Compliance and Code training for employees is held at least annually and may be held periodically as needed in relation to any relevant legal developments which could impact Springbok. Training involves an extensive review of Springbok's Code, EIP and compliance manual, conducted by either the Chief Compliance Officer or an independent third-party hired for such purpose. Specifically, employee training focuses on those issues Springbok deems most crucial related to its employees, including extensive discussions of the definition of insider information and the practices which may constitute illegal insider trading, employee conflict of interest and trading policies, political contribution policies and gift policies.

#### **D. Transactions in Securities Recommended to Clients**

In addition, our employees and related persons may invest in the Partnership. To the extent they do, they have a direct interest in the success of the Partnership.

### **Item 12 Brokerage Practices**

#### **A. Broker-Dealer Selection and Reasonableness of Compensation**

Generally, portfolio transactions for Springbok clients are cleared through brokerage accounts maintained at various brokerage institutions, each of which may or may not also act as a custodian for such clients. In the discretion of the relevant investment vehicle, portfolio assets may be held for the benefit of such entity by other financial institutions, including any brokers or dealers or other institutions through which the relevant entity effects transactions. The relevant entity may engage and pay fees and/or commissions to other or additional custodians, prime brokers and/or brokers, including without limitation, affiliates of Springbok, at any time. We may replace existing brokers without notice to the limited partners.

Portfolio transactions are executed by brokers and dealers selected on behalf of clients on the basis of their ability to effect prompt and efficient executions at competitive rates and also in consideration of such brokers' provision or payment of brokerage or research services (referred to as payment made by "soft dollars," as further discussed herein). Reasonableness of commissions is assessed based on numerous factors, including but not limited to the nature of the services provided and the rates charged by competitors for the same or similar services.

Springbok and each Sub-Advisor may clear and settle securities transactions through various brokers of its selection, subject to Springbok's approval. The appropriate client will be charged commissions by any broker or dealer it utilizes to effect trading on each trade executed.

##### **1. Research and Other Soft Dollar Benefits**

Section 28(e) of the United States Securities Exchange Act of 1934, as amended, establishes a safe harbor (the "Section 28(e) safe harbor" or "safe harbor") allowing investment managers to use client funds, by way of commission dollars, to purchase certain brokerage and research services. The use of such commission dollars to obtain research or other products or services benefits the clients, who do not have to produce or pay for such research, products or services. Further, the amount of commissions paid by a client, if any (directly or indirectly), must be reasonable in light of the value of the brokerage or research services offered, taking into account various factors, including commission rates, financial responsibility and strength and ability of the broker to efficiently execute transactions. This practice may create an incentive to select or recommend a broker-dealer based on research or other products rather than on a client's interest in best execution. To the extent clients are required to pay

commissions, if Springbok determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage or research services provided by such broker then such commissions will be paid. A client may pay commissions (or markups or markdowns) to a broker in an amount greater than the amount another broker might charge under such circumstances, in return for soft dollar benefits.

The Section 28(e) safe harbor is only available under certain circumstances and covers research services provided by brokers which generally include advice, analyses and reports, and may specifically include traditional research reports analyzing the performance of a particular company or stock, certain financial newsletters and trade journals, quantitative analytical software and software that provides analyses of securities portfolios, seminars, conferences and other services that reflect substantive content (i.e., the expression of reasoning or knowledge relating to the subject matter of Section 28(e)) and provide lawful and appropriate assistance to Springbok in the performance of its investment decision-making responsibilities on behalf of a client.

The Section 28(e) safe harbor is available only when Springbok conducts business with a broker that is involved with “effecting” the trades and which “provides” the research. “Effecting” trades generally involves executing, clearing or settling the trade. A broker “provides” the product or service if the broker that is effecting transactions for the advised accounts is either legally obligated to pay for the research or, is not legally obligated to pay, but pays the research preparer directly and takes steps to ensure that the services being paid with client commissions are eligible under the safe harbor.

To the extent applicable, Springbok may use soft dollars within the parameters of the Section 28(e) safe harbor, for items including but not limited to research advice, analyses and reports and products and services that relate to the execution of a trade (e.g., connectivity services and trading software). Soft dollar items, whether provided directly or indirectly, may be utilized for the benefit of any of Springbok’s client accounts. Such items need not be allocated proportionately to client accounts which generated the soft dollar credits. Springbok may use client commissions to acquire soft dollar items that they would otherwise be obligated to provide to, or acquire at their own expense for, a client. In such an instance, the relevant party will analyze and determine that such soft dollar items may provide such client with benefits by supplementing the research and services otherwise available to such client.

While we do not currently directly utilize soft dollars, we do permit those Sub-Advisors managing assets for the Underlying Fund to do so, provided that all such benefits are within the Section 28(e) safe harbor. Under such circumstances, given that it is a Sub-Advisor and not Springbok or the Underlying Fund incurring (and putting to direct use) these soft dollar commissions, the soft dollar benefits at issue are monitored, and any invoices are paid, at the prime broker level for each sub-account (i.e., the Sub-Advisor maintains a soft dollar account with the prime broker where the sub-account is maintained). Any research or other permissible expenses are paid by the prime broker and Springbok is not provided with specific details regarding the benefit received at the Sub-Advisor level. Each prime broker that any fund under Springbok’s management maintains a relationship with is aware that any soft dollar commissions must be utilized for services within the Section 28(e) safe harbor. We have not directed client transactions to any particular broker-dealer in return for soft dollar benefits.

To ensure Sub-Advisors comply with the requirement that all soft dollar benefits fall within the Section 28(e) safe harbor, Springbok intends to contact each Sub-Advisor that utilizes commissions for soft dollar items at least annually to document the brokers with which such Sub-Advisors accrue soft dollar commission credits, the additional per share (or basis point) amount each Sub-Advisor is accruing and the nature of the soft dollar items acquired. If Springbok were to determine that the soft dollar items at

issue did not fall within the Section 28(e) safe harbor, the relevant Sub-Advisor would be restricted from utilizing soft dollar items in connection with its sub-account going forward. Additionally, Springbok will contact the brokers utilized by Sub-Advisors on an as-needed basis to discuss their controls and procedures around the use of soft dollar commission credits.

## ***2. Brokerage for Client Referrals***

In addition to the factors described above, Springbok may consider a broker's referrals or the potential for future referrals when selecting brokers. As with client commission payments for brokerage and research services and/or products, a conflict of interest may arise as in some cases the transaction compensation paid might be higher than that obtainable from another broker-dealer who did not provide (or undertake to provide) referrals, although Springbok will seek to avoid such a result and will seek best execution. Awarding transaction business to brokers in recognition of past or future referrals may involve an incentive for Springbok to cause a client to effect more transactions than it might otherwise do in order to stimulate more referrals.

In the last fiscal year Springbok did, in some instances, refer potential Sub-Advisors (and consequently the transactions they executed on behalf of the Underlying Fund) to specific brokers, generally under circumstances where such broker made the initial introduction to the Sub-Advisor.

## ***3. Directed Brokerage***

Not applicable.

## **B. Trade Aggregation**

It is Springbok's policy that trades may be aggregated to facilitate best execution, or the execution of securities transactions for its clients in such a manner that the clients' total costs or proceeds in each transaction are the most favorable under the circumstances. As a matter of fiduciary duty, advisers must ensure that, when aggregating and allocating securities transactions, clients are treated in a fair and equitable manner. Springbok does not at the present time concurrently advise multiple trading vehicles and as such does not have occasion to aggregate trade orders, but should circumstances change in the future, we will adhere to the policy set forth below.

Springbok's aggregation policy requires that all clients be treated equally and that unless otherwise noted, each participating account receives pro rata the average price while transaction costs are shared pro rata based on participation. Further, we will not aggregate transactions unless to do so is consistent with our duty to seek best execution for our clients and participating clients (as well as the allocation methods) are specified before entering into an aggregated order.

Orders on behalf of clients which are aggregated, as well as orders on behalf of future client accounts whose orders will be aggregated, will be deposited with one or more banks or broker-dealers, and neither the client's cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for the clients will be delivered out to the custodian or broker-dealer as soon as practicable following the settlement. Our books and records reflect securities held by, or bought or sold for, clients that participate in an aggregation. No additional compensation is due as a result of aggregation.

## **Item 13            Review of Accounts**

### **A. Periodic Review of Client Accounts**

Springbok's Managing Members review client accounts periodically, on an as-needed basis. Such meetings involve discussing whether particular strategies or investment limitations would suit a client. Springbok's research team meets regularly to discuss current and potential Sub-Advisors and their strategies. In addition, our risk team monitors the trading activity within client accounts to ensure compliance with the applicable investment strategies and limitations.

### **B. Non-Periodic Reviews**

In the event a Sub-Advisor violates its risk parameters, or the Special Investor's capital account balance related to that Sub-Advisor should decrease below a certain level, Springbok's Managing Members would engage in a review of the account at issue. Such a review would, at such time, involve working with the Sub-Advisor at issue to understand the circumstances and devise an appropriate solution.

### **C. Client Reporting**

As soon as practicable following completion of the annual audit of the Funds and within the timeframes dictated by applicable laws, Springbok will prepare and mail, or will cause to be prepared and mailed, to each limited partner or shareholder a financial report presented in accordance with US generally accepted accounting principles ("GAAP"), together with the report thereon submitted by the accountants selected by the General Partner, setting forth, as of the end of such Fiscal Year and for each Fund in which they are invested: (a) a balance sheet, (b) an income statement and (c) a statement showing the aggregate fund gains and aggregate fund losses for such year.

In addition, as soon as practicable following the end of each month, Springbok prepares and mails, or causes to be prepared and mailed, to each Special Investor a statement of such Special Investor's capital account balance.

Tax information, including, but not limited to a Form K-1, will be provided and shall set forth in sufficient detail such information as shall enable each limited partner, or former limited partner, as necessary, to prepare its respective income tax returns in accordance with the laws, rules and regulations then prevailing.

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

### **A. Economic Benefits Provided by Non-Clients**

Not applicable.

### **B. Compensation for Client Referrals**

While not presently retained, we reserve the right to retain one or more affiliated or non-affiliated Placement Agent(s). Our Chief Compliance Officer will determine whether any such arrangements are subject to SEC Rule 206(4)-3 and if so, whether the arrangements comply with such rule and any other applicable laws.



## **Item 15 Custody**

The General Partner, an affiliate of Springbok, serves as the general partner of the Partnership and the Underlying Fund and as such is deemed to have custody of the Partnership and the Underlying Fund clients' funds and securities. Springbok does not have custody of the client assets of the Offshore Fund, however investors in the Offshore Fund will receive audited financial statements as well, within the timeframe specified by applicable law. Investors in the Partnership and the Underlying Fund will receive audited financial statements prepared in accordance with GAAP within 120 days of each of the relevant Funds' fiscal year end. Such practice generally went into effect at Springbok beginning with the 2012 fiscal year.

## **Item 16 Investment Discretion**

We have broad discretionary authority to manage securities accounts on behalf of the limited partners who are investors in our funds under management. Springbok is delegated such authority in the Partnership Agreements of the Partnership and the Underlying Fund, which each limited partner must execute prior to becoming an investor in the relevant fund, as well as in the Investment Management Agreement of the Offshore Fund. The Underlying Fund grants each Sub-Advisor a power of attorney to exercise investment discretion only with respect to the assets that the Sub-Advisor has been allocated.

Springbok is not restricted in its discretionary authority, however it abides by the risk profile and investment guidelines of each client entity under its management. All Sub-Advisors managing allocations on behalf of Springbok clients are subject to risk guidelines and investment restrictions, which are tailored to protect the investments of all investors in any of the funds under management. For additional information on Springbok's advisory services in general, please see ***Item 4 Advisory Business***.

## **Item 17 Voting Client Securities**

Springbok has been given discretionary authority for investment decisions by its clients, and thus has authority to vote proxies on behalf of its clients unless an investment advisory agreement stipulates otherwise. If Springbok has discretionary authority, clients do not direct voting in any particular proxy solicitation.

Springbok will vote proxies, where applicable and when given authority, in the best interests of its clients in terms of maximizing clients' rate of return on investment. In certain cases, this may involve refraining from voting when the cost of voting exceeds the expected benefit.

Springbok has authority to vote proxies on behalf of the Funds, however it does not as a general matter do so given the structure and strategies of the Funds. The Sub-Advisors who have been delegated trading authority may vote any relevant proxies and maintain their own proxy voting policies.

In the event Springbok does have occasion to vote proxies, potential material conflicts of interests may arise with any particular proxy solicitation. Such conflicts may include, but are not limited to, the following: the individual designated to vote proxies owns an interest in the company in which Springbok will vote on a proxy; the individual designated to vote proxies will receive some unusual compensation or profit based on how Springbok votes on a proxy; the individual designated to vote proxies serves as a director in the company in which Springbok will vote on a proxy; the individual designated to vote

proxies has an immediate family member (spouse, child, parent, sibling, or in-law) that is a director in the company in which Springbok will vote on a proxy; the individual designated to vote proxies has a personal relationship with an executive or director in the company in which Springbok will vote on a proxy; and the individual designated to vote proxies has a personal relationship with a candidate to be a director in the company in which Springbok will vote on a proxy.

In the event of such a conflict of interest, Springbok's proxy voting committee may determine that the individual designated to vote proxies has such a conflict of interest and is to be recused from voting the proxy at issue. In such cases, the remaining non-conflicted members will vote the proxy.

To comply with SEC Rule 206(4)-6 and amended Rule 204-2, Springbok maintains a copy of its Proxy Voting Policy and Procedures; it also maintains records of proxy statements received pertaining to client securities and records of votes cast by Springbok, any documents prepared by Springbok that were material to making a decision how to vote or that memorialized the basis for the decision and records of each client request for proxy voting records as well as Springbok's response to such requests.

Springbok's Proxy Voting Policies and Procedures and information on how Springbok has voted proxies are available upon request from the Chief Compliance Officer.

## **Item 18            Financial Information**

### **A.    Balance Sheet**

Springbok is not required to attach a balance sheet as it does not require or solicit prepayment of fees six months or more in advance.

### **B.    Financial Conditions that Could Impair Contractual Commitments to Clients**

Not applicable.

### **C.    Bankruptcy**

Not applicable.