



Spider Management Company, LLC

Form ADV Part 2A

September 26, 2019

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This brochure ("Brochure") provides information about the qualifications and business practices of Spider Management Company, LLC ("Spider Management"). To request a copy of our Brochure or if you have any additional questions about the contents of this Brochure, please contact us at (804) 289-6010. You may also obtain a copy of our Brochure by e-mailing your request to SMCinvest@richmond.edu. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Spider Management is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any of our affiliated persons who are registered, or are required to be registered, as investment adviser representatives of Spider Management.

Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that Spider Management or any person associated with it has achieved a certain level of skill or training.

Item 2- Material Changes

This brochure dated September 26, 2019 has been prepared according to the requirements and rules promulgated by the SEC. Pursuant to SEC Rules, we are required to deliver to Clients a summary of any material changes to this Brochure within 120 days of the close of our fiscal year. We may also elect to include a summary of material changes to this Brochure as part of other-than annual amendments filed by Spider Management. This Item discusses specific material changes that are made to the brochure and our business and provides a summary of such changes.

Material Changes:

This current Form ADV Part 2A Brochure reflects the following material changes since the previous filing on September 28,2018:

1. Spider Management revised Item 4 of the Brochure to reflect updated figures for Spider Management's assets under management.

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Item 4- Advisory Business

Investment Advisory Services and Fees

Spider Management has been a registered investment adviser since January 2010 and has been in business since November 2007. Spider Management is a single-member Virginia limited liability company of which the University of Richmond (the “University”) serves as the sole member. As the sole member, the University controls Spider Management. Spider Management is managed by a Board of Managers and officers who are elected and appointed by the University’s Board of Trustees.

Spider Management provides investment advisory services in the form of portfolio management to pooled vehicles and charitable organizations. Specifically, Spider Management currently serves as the investment adviser to the University of Richmond’s endowment (the “Endowment”¹) and to The Richmond Fund, LP (“The Richmond Fund”). Additionally, the Endowment and The Richmond Fund are controlling partners of a special purpose vehicle, Spider Buyout Holdings, LP, a Delaware limited partnership (“Spider Buyout Holdings” and together with the Endowment and The Richmond Fund, “Clients”)² in which Spider Management also serves as the investment adviser.

Spider Management invests Clients’ assets in private investment funds (“Underlying Funds”) or separate account vehicles (together with the Underlying Funds, the “Investment Vehicles”) managed by third party investment managers (each, a “Third Party Investment Manager”).

The Richmond Fund, which is a collective investment vehicle sponsored and advised by Spider Management, is not registered under the Securities Act of 1933, as amended (the “Securities Act”), or the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests in The Richmond Fund are offered and sold exclusively through the means of a confidential offering memorandum to investors satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore transactions.

Spider Buyout Holdings is a special purpose vehicle intended to hold certain illiquid Underlying Funds and provide advanced liquidity opportunities with respect to the portfolio of such Underlying Funds. Spider Management does not charge additional fees for assets under management held in Spider Buyout Holdings.

The investment advice provided by Spider Management is tailored to meet the requirements of the Endowment’s investment policy statement. Currently, Clients of Spider Management and investors in The Richmond Fund adopt the Endowment’s investment policy statement which sets out the specific requirements and any restrictions. Such restrictions may include limitations on the types of securities to be held, or the amount of exposure to any particular asset class.

¹ The University of Richmond endowment also includes an immaterial amount of other assets that are not managed by Spider Management. When referencing “the Endowment” in this Brochure, such assets are not included.

² The term Clients does not include the investors or limited partners in The Richmond Fund. Spider Management’s current Clients are limited to the Endowment, The Richmond Fund, and Spider Buyout Holdings.

An agreement is in place between the Endowment and The Richmond Fund (the “Rate of Return Agreement”) which requires those two Clients to make payments to one another in order to ensure that the rate of return achieved by each of the two Clients is equal to a blended rate of return as set forth in the Rate of Return Agreement (the “Blended Return”). These payments will be made from the Client with the higher rate of return to the Client with the lower rate of return so that the Endowment and The Richmond Fund’s rate of return equals the Blended Return. Additional details concerning the Blended Return are set forth in The Richmond Fund’s offering memorandum and offering materials.

Assets Under Management

As of June 30, 2019, Spider Management had approximately \$4,795,657,146 in discretionary regulatory assets under management and \$0 in non-discretionary regulatory assets under management.

Item 5- Fees and Compensation

General

Spider Management charges investors in The Richmond Fund (each, a “Limited Partner”) an investment management fee based on assets under management, as set forth below. Such fees do not include any fees payable to Third Party Investment Managers or that are payable as a result of any investment in any Investment Vehicle. These fees may include fees, charges and expenses levied by the Underlying Funds, costs associated with the purchase and sale of such Underlying Funds or other securities held in a Client’s account, clearing or custody costs, fees or commissions for securities transactions, costs associated with the temporary investment of funds in a cash management account, other charges charged by the Underlying Funds, and/or performance-based fees charged by the Third Party Investment Managers.

Spider Management may invest in securities that are difficult to value and have no active trading market. Spider Management attempts to determine a fair valuation using procedures designed to value such securities; however, the value derived from any such determination may differ substantially from the ultimate price a Client may realize in a transaction. The fees assessed on a Client’s account may be based, at least in part, on such valuations.

Limited Partners should refer to The Richmond Fund’s offering documents for additional/supplementary information regarding the various fees and charges associated with investments in The Richmond Fund.

In addition to the fees set forth above, Clients may be charged a performance-based fee as described in Item 6 below.

Investment Advisory Fees

The fees payable to Spider Management are charged quarterly, in arrears, and are equal to 0.75% per annum of the first \$100,000,000 of the net asset value of each Limited Partner’s capital

account, 0.50% of the next \$200,000,000 of the net asset value of each Limited Partner's capital account, and 0.35% of any amount over \$300,000,000 of the net asset value of each Limited Partner's capital account. Spider Management automatically deducts the fees from the Limited Partners' accounts on the last day of each fiscal quarter. Spider Management may negotiate fees on a case-by-case basis with its Clients or Limited Partners and will be set forth in a written investment management agreement or side letter with each such Client or Limited Partner, respectively. In addition, Spider Management may waive its fees, in Spider Management's sole discretion depending on the characteristics, complexities and needs of a Client or Limited Partner and its account. Spider Management has agreed to waive the fees payable by the Endowment and the University has agreed to pay certain operational and administrative costs of Spider Management. Spider Management does not charge additional fees for assets under management held in Spider Buyout Holdings.

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

Spider Management may charge a performance fee. The Richmond Fund is charged a performance fee and at the end of each fiscal quarter such performance fee is calculated based on the capital accounts of the Limited Partners. The performance fee will be 5% of all net profits for The Richmond Fund's fiscal year on the capital account of each Limited Partner in The Richmond Fund that exceeds the amount such Limited Partner would have received if it earned 8% per annum (the "Hurdle Rate") on such capital account. If a Limited Partner makes a capital contribution during a fiscal year, then a separate performance fee will be calculated with respect to such capital contribution. The Hurdle Rate is not cumulative and resets at the beginning of each fiscal year. All arrangements whereby Spider Management receives compensation based on a share of capital gains or capital appreciation comply with the requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

The General Partner is responsible for and shall pay its general overhead expenses, including salaries, rent, utilities, office equipment and similar expenses.

The Partnership shall pay for all "Partnership Expenses" (as defined below), subject to a cap for such Partnership Expenses in excess of the Management Fee of such Fiscal Quarter equal to .05% of the aggregate Net Asset Value of the Partnership at the beginning of such Fiscal Quarter. "Partnership Expenses" shall mean all costs and expenses relating to the Partnership's activities, investments and business (to the extent not borne or reimbursed by an Investment Vehicle), including (a) all out-of-pocket fees, costs and expenses attributable to acquiring, holding and disposing of the Partnership's investments whether consummated or not (including interest on money borrowed by the Partnership or the General Partner on behalf of the Partnership, registration expenses, travel, lodging, meals and related expenses, technology-related expenses, printing, real estate title and appraisal costs, and legal, accounting, auditing, brokerage, finders, financing commitment, custodial and other fees), (b) legal, accounting, auditing, consulting, escrow, custodial and other fees and expenses of the Partnership (including expenses associated with the preparation of Partnership financial statements, tax returns and schedules K-1), (c) costs, expenses and liabilities of the Partnership (including the cost of any insurance and any litigation and indemnification costs and expenses, judgments and settlements), (d) any taxes, fees and other

governmental charges levied against the Partnership, (e) any advisory fees, (f) “Management Fees” (as defined in Item 5), (g) organizational expenses, and (h) expenses of periodic meetings of the limited partners. For purposes of calculating the cap, “Partnership Expenses” shall only include the items in clauses (a) through (d) and clause (h) above. Spider Management has adopted policies designed to ensure that its side-by-side management of accounts with different types of fees is at all times consistent with its fiduciary responsibilities to its Clients, and that no Client account is favored over another or managed in a manner which places the generation of performance-based fees over the needs of the Client. These policies include requirements that all accounts in the same strategy generally be managed the same way.

To avoid any potential conflict of interest, the Rate of Return Agreement requires The Richmond Fund and the Endowment to make payments to one another in order to ensure that the gross rate of return achieved by each is equal to a blended rate of return as set forth in the Rate of Return Agreement. These payments are made from the Client with the higher rate of return to the Client with the lower rate of return so that the Endowment and The Richmond Fund’s gross rate of return equals the Blended Return. This eliminates the incentive to favor any account that produces higher performance-based fees.

Item 7- Types of Clients

Spider Management provides its services to pooled investment vehicles and charitable organizations. Spider Management currently serves as the investment adviser to the Endowment, The Richmond Fund and Spider Buyout Holdings. Interests in The Richmond Fund will be sold only to entities that represent and warrant that they are exempt from federal income tax because they are organizations described in Internal Revenue Code (“IRC”) Section 501(c) to which contributions may be made that are deductible under IRC Section 170, “accredited investors” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act, and “qualified clients” within the meaning of Rule 205-3 under the Investment Advisers Act of 1940.

The Endowment and The Richmond Fund are controlling partners of Spider Buyout Holdings, LP, a Delaware limited partnership (“Spider Buyout Holdings”). The purpose of Spider Buyout Holdings is to hold certain illiquid Underlying Funds and provide advanced liquidity opportunities with respect to the portfolio of such Underlying Funds.

While Spider Management has no minimum requirements to open or maintain a Client account, The Richmond Fund has minimums related to the required capital commitments of potential (and existing) Limited Partners, subject to the right of the General Partner to waive such minimums. Such information is set forth in the offering memorandum for The Richmond Fund.

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

Methods of Analysis

Spider Management uses a variety of resources to identify Investment Vehicles. These resources may include, but are not limited to, the experience of Spider Management’s personnel and their contacts with Third Party Investment Managers, Spider Management’s Board of Managers,

University of Richmond's Investment Committee, academics and prime-broker groups, conferences and seminars, contacts with family offices and investment manager databases. When researching Investment Vehicles, Spider Management analyzes the investment management organization, ownership structure, assets under management, investment strategy, client base, capacity issues, the backgrounds of key investment professionals, the firm's investment philosophy, investment process, style, performance, and risk management. On-site due diligence is a key component of this analysis. Quantitative analysis includes reviewing performance against objectives, historical and expected performance, benchmarks and peers, analyzing risk/return ratios, understanding key drivers of performance returns, alpha generations versus style or benchmark contributions and correlations with other funds in the portfolio.

The Third Party Investment Managers employ different absolute and relative return investment strategies across diverse sectors and asset classes in pursuit of attractive risk-adjusted returns consistent with the preservation of capital. Such Third Party Investment Managers, in turn, invest and trade primarily in securities and other financial instruments. In addition to allocating capital to Third Party Investment Managers, Spider Management may engage in a variety of hedging transactions.

Investing in securities involves risk of loss that Clients must be prepared to bear. Additional important information relating to risk is set forth below.

Investment Objective

The investment objective of the Endowment and The Richmond Fund is to seek long-term growth of capital primarily through a diversified investment portfolio consisting of a mix of Investment Vehicles employing attractive risk-reward characteristics. The assets of The Richmond Fund, when combined with the Endowment on a pro forma basis, will generally be invested in accordance with the University's Investment Policy Statement, as it may be amended from time to time.

Spider Management intends to invest in Investment Vehicles managed by Third Party Investment Managers who employ a variety of absolute and relative return investment strategies in pursuit of attractive risk-adjusted returns consistent with the preservation of capital. "Absolute return strategies," which refer to a broad class of investment strategies that are managed without reference to the performance of equity, debt and other markets, can be contrasted with "relative return strategies," which generally seek to outperform a corresponding benchmark equity or fixed income index. Spider Management seeks attractive risk-adjusted returns, which are returns adjusted to take into account the volatility of those returns. There can be no guarantee, however, that Spider Management will achieve its objective or that it will not incur loss of principal.

Investment Strategy

The Investment Vehicles that Spider Management intends to invest in may employ a variety of investment strategies, generally including investments in Underlying Funds which may be unregistered investment funds and registered investment companies. These Investment Vehicles employ, among others, the following strategies:

GLOBAL EQUITIES: Spider's asset allocation policy reflects the broad opportunity set available to public equity managers. As such, Spider strives to invest with managers who will yield superior risk-adjusted returns, regardless of their capitalization and/or geographic orientation. Equity investments provide an opportunity to participate in the growth of public companies and the global nature of the portfolio allows the endowment to profit from a diversified set of economies around the world. Spider's global equity portfolio follows a variety of strategies including long-only and long/short. Each is designed to provide long-term equity returns, but with different risk and liquidity profiles.

GLOBAL EQUITY LONG-ONLY: The objective of the Global Long-Only portfolio is to generate investment returns with adequate liquidity through consistent exposure to common stock investments. The Global Long-Only Equity portfolio will contain both passive and active investment components. The passive strategy is meant to provide low-cost exposure to the public equity market and will primarily be achieved through the use of, but not limited to, swaps, ETFs and other derivative products, utilized from time to time to add or reduce the directionality of the portfolio. The portfolio seeks to generate incremental returns (alpha) through its active investment strategy. The primary benchmark for the Global Long-Only portfolio is the MSCI ACWI index.

GLOBAL EQUITY LONG/SHORT: The Global Long/Short portfolio consists of managers with a long equity portfolio offset by a portfolio of short equity holdings. While the long/short portfolios tend to be directionally exposed to the market, it is to a much lesser extent than the long-only portfolio. The short portfolio serves as a hedge against market declines, and importantly provides additional value through selecting stocks that are likely to underperform. The Global Long/Short portfolio is expected to produce equity-like returns over the long-term, with less volatility and liquidity than the Long-Only portfolio. The primary benchmark for the Global Long/Short portfolio is 50% of the MSCI ACWI + 300 bps.

PRIVATE EQUITY/VENTURE CAPITAL: Includes illiquid investments in both private and public companies both domestically and internationally. These investments include venture capital, buyouts, high yield, and subordinated debt. The private equity/venture capital portfolio's objective is to earn higher returns than the public equity markets over the long term. This portfolio invests in highly illiquid positions and should generate higher returns as compensation for that illiquidity. A secondary objective of these investments is to provide diversification. The portfolio's strategy is to invest in a select number of funds managed by the highest quality management teams usually organized as limited partnerships. Managers are sought which have proprietary deal flow and whose experience enables them to bring strategic, operational, or technical expertise to a transaction in addition to financial acumen and capital. The portfolio is diversified across categories and investment stage. The Private Equity/Venture Capital portfolio's primary benchmark is the Burgiss Private Equity and Venture Capital benchmarks weighted 60% Private Equity and 40% Venture Capital.

MULTI-STRATEGY: Includes managers specializing in asset allocation across multiple investment strategies that have low correlations and/or market exposure to other asset classes. The objective of this asset class is to generate equity-like returns with less volatility and market exposure than

global equities. Diversification across strategies and positions will be wide in order to dampen portfolio volatility. The portfolio's liquidity will be moderate, less than that of the traditional public equity portfolios, but more liquid than the Private Equity/Venture Capital portfolio. This portfolio will focus on areas and strategies where value added by active management can contribute a substantial portion of the return. The portfolio may utilize swaps, derivatives, ETFs or other instruments in order to manage risk. The primary benchmark for this asset class is 30% MSCI ACWI + Treasury Bills + 300 bps.

CREDIT: Includes investments in publicly and privately traded credit and credit related securities. The portfolio can hold a mix of traditional benchmark relative strategies and absolute return strategies. It is expected that many types of securities could be considered credit sensitive and the portfolio will contain, but not be limited to, bonds, equities, derivatives, currencies, and private securities. The portfolio will be diversified across credit asset classes and hold a mixture of investment grade and high yield securities of performing and non-performing debt. Liquidity and volatility will vary by strategy. The portfolio will focus on capital appreciation rather than current income and will not be managed to specific duration guidelines. The primary benchmark is the ICE BofAML US High Yield Index.

REAL ASSETS: Real Assets represent claims on future streams of inflation-sensitive income, supplying protection against unanticipated inflation and playing an important diversifying role in the portfolio. Real Assets is comprised of investments in oil and gas, commodities, timber, and inflation-linked bonds. The primary benchmark is Burgiss Natural Resources.

REAL ESTATE: The long-term objective of the Real Estate portfolio is to provide equity- like returns while providing a partial hedge against inflation. In addition, Real Estate is an extraordinary diversifier within the overall endowment due to its low correlation with other asset classes. The portfolio is directed largely to illiquid investments with a long time horizon. The primary benchmark is the Burgiss Real Estate.

CASH/FIXED INCOME: It is considered prudent to minimize the use of cash in the overall endowment given its low return characteristics. Outside of extraordinary market dislocation periods, cash will exist from time to time for transaction and/or rebalancing needs only. High quality fixed income can be used as a deflation hedge and as a source of cash during periods of market dislocation. The primary benchmark for cash/fixed income is Barclays 3-5 Year Treasury Index.

In addition to the above asset classes, Spider Management may invest in any other asset or derivative (*e.g.*, futures, options, etc.) towards achieving its investment objectives.

Spider Management utilizes the following asset allocation policy:

<u>Asset Class</u>	<u>Long Term Desired Range</u>
<u>EQUITY</u>	
Global Equity Long-Only	10% - 40%
Global Equity Long/Short	10% - 40%
<u>PRIVATE EQUITY/VENTURE CAPITAL</u>	10% - 25%
<u>REAL ASSETS</u>	0% - 15%
<u>REAL ESTATE</u>	0% - 15%
<u>MULTI-STRATEGY</u>	5% - 20%
<u>CREDIT</u>	0% - 20%
<u>CASH/FIXED INCOME</u>	0% - 10%

Risk of Loss

Investing in securities and other financial instruments involves risks, including the potential loss of Client's principal. Although Spider Management endeavors to preserve Clients' capital and achieve real growth, investing in securities and other financial instruments involves the risk of loss that each Client should be prepared to bear. While certain strategies may offer the potential for greater growth, these same strategies may have greater potential volatility. While it is Spider Management's intent to minimize risk when possible, certain strategies may impose more risk than others.

Some of the principal risks of the identified investment strategies are identified below. Depending on economic and market conditions, other risks may be present. Additional details concerning risks of loss related to an investment in The Richmond Fund are also set forth in The Richmond Fund's offering materials.

Merger Arbitrage Strategies: As part of these strategies, a Third Party Investment Manager may purchase securities at prices slightly below their anticipated value in a proposed merger, tender offer or other similar transaction. If the proposed transaction is not consummated or if the proposed transaction is not well received by the market, then the value of such securities held by the Investment Vehicle may decline significantly. Furthermore, the difference between the price paid by the Investment Vehicle for the securities of a company involved in an announced deal and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be very small. If the proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities usually will decline sharply. In addition, where the Third Party Investment Manager has sold short

the securities it anticipates receiving in an exchange or merger, if the proposed transaction is not consummated, Third Party Investment Manager may be forced to cover its short position at a higher price than its short sale, with a resulting loss. If the Third Party Investment Manager has sold short securities which are the subject of a proposed cash tender offer or merger and the transaction is consummated, the Third Party Investment Manager also may be forced to cover its short position at a loss.

Distressed Securities Strategies: Some Investment Vehicles may invest in debt and equity securities, credit paper, accounts and notes payable, loans and other financial instruments and obligations of financially troubled companies, including U.S. and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. The debt securities likely will include so-called “junk bonds.” Investments of this type should be considered speculative, as they involve substantial financial and business risks that can result in substantial or, at times, even total losses. These securities may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual company are more likely to cause price volatility and weaken the capacity of issuers of junk bonds to make principal and interest payments than is the case for higher grade securities. In addition, the market for these securities may be thinner and less liquid than for higher grade securities.

An Investment Vehicle may acquire privately held loans from banks, insurance companies, financial institutions or other lenders, as well as claims held by trade or other creditors. These investments are subject to both interest rate risk and credit risk. These investments also are subject to the risk of non-payment of scheduled interest or principal. Non-payment would result in a reduction of income to an Investment Vehicle and a reduction in the value of the investments experiencing non-payment. In addition, because these investments are not registered and no public market for them exists, they typically are less liquid than publicly traded securities.

Some of these investments may be difficult for a Third Party Investment Manager to value because market quotations are not available. In these circumstances, investments may be valued based on procedures designed to ascertain their fair value; however, these determinations may not reflect the actual value of the investments.

Long/Short Equity Strategies: As part of this strategy, a Third Party Investment Manager seeks to purchase undervalued securities and sell overvalued securities to generate returns and to hedge out some portion of the general market risk. These long and short positions may be completely unrelated. If the Third Party Investment Manager’s analysis is incorrect or based on inaccurate information, these investments may result in significant losses to the Investment Vehicle. Since long/short equity strategies generally involve identifying securities that are undervalued (and, in the case of short positions, overvalued) by the marketplace, the success of the strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur, or may occur over extended time frames that limit profitability. Positions may undergo significant short-term declines and experience considerable price volatility during these periods. In addition, long and short positions may or may not be correlated to each other. If the long and short positions are not correlated, it is possible to have investment losses in both

the long and short sides of an Investment Vehicle's portfolio.

Convertible Arbitrage Strategies: Third Party Investment Managers may employ convertible arbitrage strategies. Convertible securities are bonds, debentures, notes, preferred stock or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that generally is paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. Generally, the conversion value decreases as the convertible security approaches maturity. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value when investors place value on the right to acquire the underlying common stock while holding a fixed-income security.

Global Macro Strategies: Third Party Investment Managers utilizing global macro strategies typically seek to generate income and/or capital appreciation through a portfolio of investments focused on macro-economic opportunities across numerous markets and instruments. These strategies may include positions in the cash, currencies, futures and forward markets. These managers employ such approaches as long/short strategies, warrant and option arbitrage, hedging strategies, inter- and intra-market equity spread trading, futures, options and currency trading, and emerging markets (debt and equity) and other special situation investing. Trading positions are generally held both long and/or short in both U.S. and non-U.S. markets. Global macro strategies are generally categorized as either discretionary or systematic in nature and may assume aggressive investment postures with respect to position concentrations, use of leverage, portfolio turnover, and the various investment instruments used. Global macro strategies require assumptions about global macro-economic trends. There can be no assurance that such macro-economic assumptions will prove to be correct. With a broader global scope, returns to the global macro strategy generally exhibit little to no correlation with the broader domestic equity and bond markets. There can be no assurance that any such hedging techniques will be successful or that the hedging employed by the Third Party Investment Manager will not have the negative effect of lowering overall returns, or creating losses, in the portfolio or with respect to the applicable position.

Equity Securities: A Third Party Investment Manager's investment portfolio may include long and short positions in common stocks, preferred stocks and convertible securities. Third Party

Investment Managers may focus on investments within specific sectors, countries or regions. Third Party Investment Managers also may invest in depository receipts relating to foreign securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and general market and economic conditions. Generally, Third Party Investment Managers may invest in equity securities without restriction as to market capitalization, such as those issued by smaller capitalization companies, including micro-cap companies. The prices of the securities of some of these smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies, because they typically are traded in lower volume and the issuers typically are more subject to changes in earnings and prospects. The Third Party Investment Managers may purchase securities in all available securities trading markets, including initial public offerings and the aftermarket. Third Party Investment Managers' investments in equity securities may include securities that are listed on securities exchanges as well as unlisted securities that are traded over-the-counter. Equity securities of companies traded over-the-counter may not be traded in the volumes typically found on a national securities exchange. Consequently, a Third Party Investment Manager may be required to dispose of such securities over a longer (and potentially less favorable) period of time than is required to dispose of the securities of listed companies. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by an Investment Vehicle is called for redemption, the Investment Vehicle will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Spider Management's ability to achieve its investment objective.

Short Sales: Third Party Investment Managers may use short sales for hedging or non-hedging purposes in an effort to profit from anticipated declines in prices of securities which in the view of the Third Party Investment Managers are overvalued or are likely to be adversely affected by particular trends or events relating to the issuer of those securities, the sector in which the issuer is engaged or the general markets or economy. Third Party Investment Managers also may attempt to limit exposure to a possible market decline in the value of their portfolio securities through short sales of securities that the Third Party Investment Manager believes possess volatility characteristics similar to those being hedged. To effect a short sale, a Third Party Investment Manager will borrow a security from a brokerage firm, or other permissible financial intermediary, to make delivery to the buyer. The Third Party Investment Manager then is obligated to replace the borrowed security by purchasing it at the market price at the time of replacement. The price at such time may be more or less than the price at which the security was sold by the Third Party Investment Manager, which would result in a loss or gain, respectively. In certain circumstances, these techniques can substantially increase the impact of adverse price movements on an Investment Vehicle's portfolio. A short sale of a security involves the theoretical risk of an unlimited increase in the market price of the security which could result in an inability to cover the short position and thus a theoretically unlimited loss. There can be no assurance that securities necessary to cover the short position will be available for purchase.

Foreign Investments: One or more Third Party Investment Managers may invest in equity and fixed-income securities of foreign issuers and in depository receipts, such as American Depositary

Receipts, which represent indirect interests in securities of foreign issuers. Foreign securities in which a Third Party Investment Manager may invest may be listed on foreign securities exchanges or traded in foreign over-the-counter markets. Apart from risks specific to emerging markets (which Spider Management is also subject to), foreign investments generally face specific risks, which include:

- unfavorable changes in currency rates and exchange control regulations;
- restrictions on, and costs associated with, the exchange of currencies and the repatriation of capital;
- reduced availability of information regarding foreign companies;
- different accounting, auditing and financial standards and possibly less stringent reporting standards and requirements;
- reduced liquidity and greater volatility;
- difficulty in obtaining or enforcing a judgment;
- increased market risk due to regional economic and political instability;
- increased brokerage commissions and custody fees;
- securities markets which are less developed than in the U.S. may suffer from periods of relative illiquidity, and may be subject to a lesser degree of supervision and regulation than securities markets in the U.S.;
- foreign withholding taxes;
- delays in settling securities transactions;
- threat of nationalization and expropriation;
- increased potential for corrupt business practices in certain foreign countries;
- failure to receive government approval prior to investments in a particular issuer by foreign persons;
- terrorism;
- limits on the amounts of investment by foreign persons in particular issuers; and
- limits on the investment by foreign persons to specific classes of securities with less advantageous rights.

Fixed Income Securities: Third Party Investment Managers may invest in fixed-income securities, typically when their yield and potential for capital appreciation are considered sufficiently attractive or in connection with convertible arbitrage strategies. Third Party Investment Managers also may invest in these securities for defensive purposes and to maintain liquidity. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer and general market liquidity (*i.e.*, market risk). The Third Party Investment Managers may invest in both investment grade and non-investment grade debt securities. Non-investment grade debt securities are considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. Non-investment grade debt securities in the lowest rating categories may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual

issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than is the case for higher grade debt securities. In addition, the market for lower grade debt securities may be thinner and less liquid than for higher grade debt securities.

Swap Agreements: Investment Vehicles may enter into equity, interest rate, index and currency rate swap agreements. These transactions will be undertaken in attempting to obtain a particular return when it is considered desirable to do so, possibly at a lower cost than if the Investment Vehicle had invested directly in the asset that yielded the desired return. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or “swapped” between the parties are generally calculated with respect to a “notional amount,” that is, the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular non-U.S. currency, or in a “basket” of securities representing a particular index. Most swap agreements entered into by an Investment Vehicle would require the calculation of the obligations of the parties to the agreements on a “net basis.” Consequently, current obligations (or rights) under a swap agreement generally will be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the “net amount”). The risk of loss with respect to swaps is limited to the net amount of interest payments that the Investment Vehicle is contractually obligated to make. If the other party to a swap defaults, the Investment Vehicle’s risk of loss consists of the net amount of payments that the Investment Vehicle contractually is entitled to receive.

Commodities and Futures: Commodity futures prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested. It is anticipated, however, that Spider Management will participate in the futures markets through investments in Underlying Funds, and its losses in those cases would be limited to its investment in those Underlying Funds. Trading in futures involves risk of loss that could materially adversely affect the value of a Client’s account. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. Commodity exchanges limit daily price fluctuations in certain commodity futures contracts. For contracts that have a price limit, no trades may be executed at prices beyond the “daily limit” during the trading day. Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can be neither initiated nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent a Client’s futures managers from promptly liquidating unfavorable positions and subject a Client to substantial losses.

Exchange Traded Funds (ETFs): An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund that has the same investment objectives, strategies, and policies. Additionally, the risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track although they may have different risks because of the pooled nature of the investment.

Illiquid and Privately Offered Securities: Privately offered investment vehicles are unregistered private investment funds or pools that invest and trade in many different markets, strategies, and instruments. Such funds generally are not subject to regulatory restrictions or oversight. Opportunities for redemptions and transferability of interests in these funds are restricted. The fees imposed, including management and incentive fees/allocations and expenses, may offset trading profits. Investments in private funds or restricted positions with limited withdrawal rights or lock-up periods may restrict a Client's ability to access the capital invested in such positions. Other risks associated with such investments are detailed in the offering memorandums for such investments.

Other Derivatives: Derivatives transactions, including those entered into for hedging purposes, may reduce returns or increase volatility. Forward currency contracts, over-the-counter options on securities and currencies and swap agreements as well as other derivatives, are subject to the risk of default by the counterparty, in addition to risks of changes in the value of the related currency, securities or other reference asset. Many derivatives also can be illiquid and highly sensitive to changes in the related currency, securities or other reference asset. As such, a small investment in certain derivatives could have a potentially large impact on performance.

Real Estate: Investments in real estate entail a variety of risks, any of which could cause a loss. Significant costs may be entailed in each stage of the various methods of real estate investment used by a Fund, including the costs of purchase, development, construction, renovation, operation, financing, and sale of real estate. Various government approvals may be required but may not necessarily be granted. Real estate is subject to various market forces, such as economic and population fluctuations on both a national and local level, that are beyond the control of any investor. Real estate typically is subject to taxation, and owners may be required to pay other significant fees or assessments.

Underlying Funds Risk: With respect to portfolios that invest in underlying funds, the risk that the value of a portfolio is based primarily on the performance of the underlying fund. Specifically with respect to alternative investment funds, the process of redeeming from an underlying fund may be both lengthy and costly due to the use of "lock-up" periods, gates, redemption fees and suspension of redemptions by the underlying funds. All of these factors will restrict or limit the portfolio's withdrawals under certain circumstances.

Key Individuals: Performance is largely dependent on the talents and efforts of certain individuals. There can be no assurance that Spider Management's investment professionals will continue to be associated with Spider Management and the failure to retain such investment professionals could have an adverse effect on the value of an investment.

Item 9- Disciplinary Information

There are no material legal or disciplinary events to disclose related to Spider Management's business or its management.

Item 10- Other Financial Industry Activities and Affiliations

Spider Management is wholly owned by the University and is managed by a Board of Managers and officers who are elected and appointed by the University's Board of Trustees. Several members of the Board of Managers also provide investment management services to clients that are not affiliated with Spider Management or the University. Spider Management may place assets under the management of, or otherwise procure investment advisory or investment management services from a Third Party Investment Manager that is affiliated with a member of the Board of Managers for Spider Management or the Board of Trustees for the University. Consequently, Spider Management may face a conflict of interest when making investment decisions for Clients. Spider Management has a fiduciary duty to Clients and will act in good faith and with fairness in all its dealings, and will take such duties into account in dealing with all conflicts of interest. All Third Party Investment Managers including those affiliated with the Board of Managers or the Board of Trustees are subject to the same ongoing due diligence process as other non-affiliated Third Party Investment Managers.

An employee of Spider Management serves as the Chairman of the Board of the Virginia Commonwealth University ("VCU") Investment Management Company, which also acts as the Investment Committee. A second employee serves as a member of the Dignity Health Investment Committee, a third employee serves as a member of the Virginia529 Investment Committee, and a fourth employee serves on the 403(b) advisory board of the University of Richmond Investment Committee. Each are responsible for monitoring investment performance and recommending asset allocation ranges, and may make manager selections. Serving in such capacity may create a conflict between the fiduciary duties owed to Clients and the duties owed to non-affiliated third party Investment Committees, particularly if Spider Management and non-affiliated third parties are pursuing the same Investment Vehicles with limited capacity to satisfy demand. Spider Management maintains internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise, and intends to prevent employees from taking such positions when, in Spider Management's determination, the potential risks to Clients outweigh the potential benefits.

The Richmond Fund Management Company, LLC is the General Partner of The Richmond Fund. Spider Buyout – GP, LLC is the General Partner of Spider Buyout Holdings. Spider Management is a controlling member of The Richmond Fund Management Company, LLC, as well as Spider Buyout – GP, LLC and Spider Management is wholly-owned by the University, which in turn owns the Endowment.

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

All employees and members of the Board of Managers (collectively, “access persons”) are subject to Spider Management’s Code of Ethics (the “Code”), which sets forth the general fiduciary principles and standards of business conduct to which all access persons are subject. Spider Management’s Code contains policies and procedures relating to conflicts of interest, insider trading, outside business activities, preferential treatment, borrowing, gifts and entertainment, political contributions, bribery, money laundering and personal trading. Unless prior permission from Spider Management’s Chief Compliance Officer (the “CCO”) is given, all access persons are prohibited from purchasing a security for a personal securities account in an initial public offering (IPO), initial coin offering (ICO) or in a private placement, and must comply with established preclearance policies and procedures in Spider Management’s Code.

Spider Management is a controlling member of The Richmond Fund’s General Partner as well as Spider Buyout Holdings’ General Partner, and Spider Management is wholly-owned by the University, which in turn owns the Endowment. Spider Management periodically arranges for transfers of cash between The Richmond Fund and the Endowment pursuant to the Rate of Return Agreement. Spider Management may arrange for a transfer of securities between Clients or otherwise arrange or engage in a principal or cross transaction with Clients. If Spider Management determines such transaction is necessary, it will obtain written consent from an independent party who has been appointed to represent all investors in The Richmond Fund. Spider Management receives no compensation (other than its advisory fee), directly or indirectly, for effecting such transactions. In addition, transactions of this nature are reviewed and approved by the CCO.

Spider Management may place assets under the management of a Third Party Investment Manager who is affiliated with a member of Spider Management’s Board of Managers or a member of the University’s Board of Trustees, resulting in that member benefitting from the receipt of compensation for the management services provided to Clients.

Spider Management permits its employees to engage in personal securities transactions. Employees, officers and directors of Spider Management may also invest in the Investment Vehicles that Spider Management purchases for Clients. To avoid any potential conflicts of interest involving personal trades, Spider Management adopted the Code, which includes formal insider trading, information barriers, and personal security transactions policies and procedures. The Code requires, among other things, that access persons:

1. Place Client interests ahead of Spider Management’s;
2. Engage in personal investing that is in full compliance with the Code;
3. Avoid taking advantage of their position; and
4. Maintain full compliance with applicable federal securities laws.

The Code also requires access persons to: (1) pre-clear personal securities transactions involving investments in IPOs, ICOs, and private placements, (2) report personal securities transactions in

non-exempt securities on at least a quarterly basis, (3) provide Spider Management with a detailed summary of holdings (both initially upon commencement of employment/appointment and annually thereafter) over which the access person has a direct or indirect beneficial interest, and (4) submit to the CCO an acknowledgment that they have read and understood the Code both initially upon commencement of employment/appointment and annually thereafter. Spider Management will provide a copy of the Code to any Client or prospective Client upon request.

Item 12- Brokerage Practices

Spider Management is generally authorized to make the following determinations, subject to Clients' investment objectives and restrictions, without obtaining prior consent from the relevant Client or any of their investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

When investing in Investment Vehicles, Spider Management ordinarily contracts directly with Third Party Investment Managers without the involvement of any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments.

To the limited extent Spider Management engages in transactions other than investments in Underlying Funds, Spider Management has the authority to determine the financial intermediaries to be used in connection with such transactions and to negotiate the amount of commission or other compensation to be paid to such intermediaries in connection with such transactions. Spider Management negotiates such compensation on a case-by-case basis and does not seek to obtain products, research or services other than transactional services from such intermediaries.

In making its decisions regarding the allocation of brokerage transactions for Clients, Spider Management seeks to obtain best execution, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size and order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker-dealers. Although Spider Management generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Item 13- Review of Accounts

Generally, Client accounts are reviewed on a continuous basis by Mr. Robin Blandford, President and Chief Investment Officer. In addition, investment personnel perform ongoing monitoring of Investment Vehicles held in accounts by reviewing such factors as performance return,

performance volatility, adherence to investment guidelines, and portfolio management changes. Mr. Blandford has final authority over all investment decisions.

The Endowment, The Richmond Fund and Limited Partners receive written reports on a quarterly basis from Spider Management which include numerous performance metrics, asset allocations and detailed analysis of Underlying Funds within the account during the relevant time period. Limited Partners receive reports which include semi-annual audited financial statements prepared in accordance with United States generally accepted accounting principles and quarterly reports which include a statement of the net asset value of the investor's interest in The Richmond Fund. In addition, Spider Management may agree to provide certain investors more frequent or more detailed reports of The Richmond Fund's portfolio holdings or performance.

Item 14- Client Referrals and Other Compensation

Spider Management does not currently compensate any person for client referrals, however, it may in the future become party to certain written agreements pursuant to which it pays a fee to third party consulting firms, individuals and others based, directly or indirectly, upon the amount of funds received for management from clients in addition to reimbursement of certain expenses. Such agreements will specifically require compliance by the consultant with Rule 206(4)-3 of the Advisers Act and other regulations thereunder which require disclosure of certain details of the arrangements to Clients.

Spider Management may pay for, and use, various services and attend various forums and events that are supplied or sponsored by consultants and third party intermediaries. The receipt of payment for these services could be perceived to provide a benefit to such consultant or third party and, therefore, result in a conflict of interest. However, Spider Management believes that its receipt of such services offers genuine educational or other benefits to it and Clients.

Item 15- Custody

Spider Management may be deemed to have custody under the Advisers Act Rule 206(4)-2, as amended, in relation to The Richmond Fund and Spider Buyout Holdings because it has legal ownership of and thus potential access to limited partnerships or securities by virtue of its control of the General Partner. However, Spider Management complies with Rule 206(4)-2 in these instances by ensuring that fund of funds investors are sent financial statements, audited by KPMG in accordance with United States generally accepted accounting principles, within 180 days of the fiscal year end of The Richmond Fund and Spider Buyout Holdings, respectively.

Item 16- Investment Discretion

Clients grant Spider Management complete discretion, through the execution of a limited power of attorney, to manage their accounts in accordance with their investment objectives, risk tolerance and investment time horizon, subject to reasonable restrictions that they have provided in writing to Spider Management. Pursuant to this grant of discretion, Clients authorize Spider

Management to invest in securities and other investments of any nature, at the time and manner that Spider Management determines, and to act on Clients' behalf in all other matters necessary and incidental to the management of Client's account, without discussing these transactions or activities with the Clients in advance.

Item 17- Voting Client Securities

Due to the nature of its investments for Clients, Spider Management generally does not vote proxies in the traditional sense. Rather, Spider Management either delegates voting responsibility to third parties, as is the case in the separately managed accounts (SMAs) with various Third Party Investment Managers, or, Spider Management, is requested to vote, acting on behalf of its Clients as investors in private investment funds. Spider Management has implemented a written policy regarding the voting of Client securities. In voting on issues relating to Investment Vehicles, Spider Management is guided by general fiduciary principles. Spider Management's goal is to act prudently, solely in the best interest of its Clients. Spider Management attempts to consider all factors of its vote that could affect the role of the Investment Vehicle or the value of an Underlying Fund. Spider Management votes in the manner that it believes is consistent with efforts to achieve the Client's stated objectives, including maximizing portfolio values.

Spider Management's written policy also addresses material conflicts of interest that could arise between Spider Management and Clients with respect to voting of Client securities. Clients may contact Spider Management for a copy of the policy or for information with respect to a specific Client vote by contacting Spider Management at (804) 289-6010 or e-mailing your request to SMCinvest@richmond.edu.

Item 18- Financial information

Spider Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.