

Springhouse Capital Management, LP

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This Brochure provides information about the qualifications and business practices of Springhouse Capital Management, LP (“Springhouse”). If you have any questions about the contents of this Brochure, please contact us at (212) 319-2570. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Springhouse Capital Management, LP is registered as an investment adviser with the SEC. Registration of an investment adviser does not imply a certain level of skill or training. Additional information about Springhouse Capital Management, LP is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure, dated March 29, 2019, replaces the Brochure dated October 22, 2018. Our last annual amendment was dated March 22, 2018.

Key updates have been made to the Part 2A since our last annual amendment:

Item 10: Update to other financial industry affiliations.

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Item 4 – Advisory Business

Advisory Services

4.A. Advisory Firm Description

Springhouse was formed in 2002. Brian Gaines is the principal owner of Springhouse.

4.B. Types of Advisory Services

Springhouse provides investment advisory and management services on a discretionary basis to Springhouse Capital (Master), L.P. (the “Fund”), a private pooled investment vehicle organized in a master-feeder structure.

4.C. Client Investment Objectives/Restrictions

Investments for the Fund are managed in accordance with the Fund’s specific investment objectives, strategies and restrictions which are found in its Confidential Offering Memorandum. Investments are not tailored to the individualized needs of the Fund’s feeder funds or any particular investor in the Fund’s feeder funds (each, an “Investor”). Investors may not impose restrictions on investing in certain securities or certain types of securities.

4.D. Wrap-Fee Programs

Springhouse does not participate in any wrap fee programs.

4.E. Assets under Management

As of December 31, 2018, Springhouse had \$375,522,777 in regulatory assets under management. All assets are managed on a discretionary basis.

Item 5 – Fees and Compensation

Advisory Contracts and Fees

5.A. Adviser Compensation

Fees charged to Investors are described in detail in the Fund's offering documents. In addition, Springhouse and the Fund's general partner, Springhouse Asset Management, LLC have the authority to waive or reduce fees charged to certain Investors.

Asset-Based Compensation

Springhouse is paid a management fee, payable quarterly in advance, of 1.5% per year of the value of each limited partners' interest in the Fund, calculated as of the first day of the calendar quarter. The Investment Manager may, in its sole discretion, waive or reduce the Management Fee as to the Interests of one or more Limited Partners.

Performance-Based Compensation

The Fund's general partner, Springhouse Asset Management, LLC is entitled to receive an annual performance-based allocation equal to 20% of the net capital appreciation credited to each Investor in the Fund, subject to a high water mark. The performance allocation, if any, is generally calculated and determined as of December 31st of each year, but may be calculated on other dates, such as upon the termination of the Fund and the final liquidation of its assets. If an Investor withdraws on a date other than December 31st, the performance allocation will be calculated through the date of withdrawal with respect to such Investor. Any performance-based compensation complies with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

5.B. Direct Billing of Advisory Fees

Management fees and performance allocations are deducted directly from the Fund's account with its custodian and in accordance with the invoices prepared by Springhouse and the Fund's offering documents.

5.C. Other Non-Advisory Fees

The management fee and the performance allocation are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the Fund and indirectly borne by Investors. The Fund incurs certain charges for services by custodians, brokers, administrators, lawyers, auditors and other third parties such as custodial fees, wire transfer and

electronic fund fees, audit and legal fees, and other fees and taxes on brokerage accounts and securities transactions. The Fund's portfolio may include positions in mutual funds or exchange traded funds that also charge management fees. Such charges, fees, and commissions are exclusive of, and in addition to, Springhouse's fees. Springhouse does not receive any portion of these commissions, fees, and costs.

Item 12 of this disclosure describes the factors Springhouse considers in selecting broker-dealers for Fund transactions and determining the reasonableness of their compensation (e.g., commissions).

5.D. Advance Payment of Fees

Fees include an annual management fee of 1.5%, which is generally payable quarterly as of the first day of the quarter. Management fees are charged on a prorated basis with respect to capital contributions accepted on days other than the first business day of a calendar quarter. If any Investor withdraws all or a portion of its capital account from the Fund on any day other than the last day of a calendar quarter, such Investor's capital account will be credited, on the withdrawal date, with the unearned portion of the management fee attributable to the percentage withdrawn as of such date.

5.E. Compensation for Sale of Securities or Other Investment Products

Neither Springhouse nor its supervised persons accept 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

Springhouse provides investment advisory and management services to one client account, which is the Fund. An affiliate of Springhouse serves as the general partner of the Fund and receives performance-based compensation. Please see Item 5 above for a more detailed description of the general partner's performance-based compensation.

Item 7 – Types of Clients

Springhouse's only client is the Fund, which is a private pooled investment vehicle, organized in a master-feeder structure. Springhouse Capital (U.S.), L.P., a Delaware limited partnership and Springhouse Capital (International), Ltd., a Cayman Islands exempted company are the feeder entities in this "master-feeder" structure and invest substantially all of their investible assets in the Fund.

The minimum initial investment in the Fund is \$2,000,000 and each additional capital contribution must be in the amount of \$250,000. The General Partner, in its sole discretion, may accept new or additional capital contributions in lesser amounts, may refuse to accept any such new or additional contributions in whole or in part, or may accept additional capital contributions on other dates. Management fees will be charged on a pro-rated basis with respect to capital contributions accepted on days other than the first business day of a calendar quarter. An Investor also may be required to withdraw all or part of its interest in the Fund upon provision of ten days' notice. All Investors must be qualified purchasers and qualified investors.

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

8.A. Methods of Analysis and Investment Strategies

The Fund's investment objective is to achieve long-term capital appreciation. Springhouse will take concentrated positions (generally 5-25%) in securities, including securities in areas traditionally referred to as either "growth" or "value," to construct a long-biased investment portfolio.

Springhouse expects to generally invest in equity securities and other securities that can provide equity-like returns. Springhouse may take positions using the options markets, when it believes that such instruments could provide more attractive returns than investing in the underlying securities.

Springhouse may sell short equities and other financial instruments that Springhouse believes may reflect failing businesses, troubled operations, unsustainable capital structures, rich valuations, accounting irregularities, suspect promotions, and theme based shorts, among others. Additionally, shorts may be used to hedge certain exposures on the long side or to hedge the overall portfolio.

In environments where Springhouse is able to identify plentiful special situation and value ideas, the Fund's gross long exposure may be over 90%, but at other times the gross long exposure may be considerably lower. Springhouse's objective with respect to long investments is to find investment opportunities that can exceed 15% of the Fund's capital at cost. When Springhouse is selling short individual equity securities that are not part of a structured position, it would generally expect to limit concentration to 5% at cost due to the different risk characteristics of short positions.

There is no guarantee that Springhouse's methods of analysis and investment strategies will succeed. Investing in the Fund involves risk of loss that Investors should be prepared to bear.

8.B. Material Risks of Investment Strategies

There is no guarantee that the investment strategies of Springhouse will be successful. The success of the strategy may be adversely affected by general economic and market conditions such as market fluctuation, interest rates, availability of credit, inflation rates, changes in laws and political circumstances. These factors may affect the level and volatility of security pricing and the liquidity of certain investments.

Concentration Risk. Because Springhouse may invest a greater portion of the Fund's assets in securities of a single issuer or a limited number of issuers than a portfolio with diversification limitations, the Fund may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers.

Management Risk. Judgments about the value and potential appreciation of a particular security may be wrong and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole and Springhouse's approach may fail to produce the intended results.

Market Risk. The value of equity securities will decline from time-to-time due to daily fluctuations in the securities markets. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a stock may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, national and international economic and/or political conditions and general equity market conditions. In a declining stock market, prices for all companies may decline regardless of their long-term prospects.

Forward Trading. The Fund also may engage in forward trading. Forward contracts and options, unlike futures contracts, are not traded on exchanges and are not standardized. Instead, 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 been unable 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 in which the Fund trades, due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses.

Turnover. The Fund may invest on the basis of certain short-term market considerations. The turnover rate within the Fund's investments may be significant, potentially involving substantial brokerage commissions and fees.

Leverage. The Fund may borrow without limitation and may use various lines of credit and other forms of leverage, including swaps and repurchase agreements. In addition, due to liquidity of certain investments, leverage may be a significant tool that the Fund may employ to pursue its investment objectives. While leverage presents opportunities for increasing total return, it also may generate increased losses beyond what might result without the use of leverage and may magnify any losses in periods where securities held by the Fund are falling in price. Additionally, because Springhouse's investment strategy for the Fund includes both long and short positions, leverage can create a scenario where both long and short positions suffer substantial capital losses.

8.C. Material Risks of Securities Used in Investment Strategies

Springhouse's investment approach may involve purchasing publicly traded equity securities that are listed on the securities exchanges, equity securities not listed on exchanges, options, over-the-counter derivatives, distressed debt and fixed income securities. Investments in the securities Springhouse selects may be more volatile than the overall market. Security values may fluctuate based on events such as technological developments, government regulation, competition and outbreaks of war or terrorist acts that are beyond Springhouse's control. The following risks are associated with the types of securities that are traded by Springhouse:

Equity Risk. Regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities. The prices of equity securities may fluctuate based on overall market and economic conditions. In addition, individual securities rise and fall based on changes in the issuer's financial condition. As a result, equity investments risk a loss of all or a substantial portion of the investment.

Illiquid Securities. Some of the Portfolio Investments may not be registered under the 1933 Act and will be subject to legal or other restrictions on transfer. It may be impossible for Fund to redeem its interests in an investment when desired or to realize their fair value at the time of such redemption. In addition, concentrated positions in certain securities may prohibit the Fund from being able to quickly liquidate such positions due to limited trading volume and liquidity.

Short Positions. A short sale involves the sale of a security that the Fund does not own in the expectation of purchasing the same security (or a security exchangeable for such security) at a later date at a lower price. To make delivery to the buyer, the Fund must borrow the security, and is obliged to return the security to the lender, which is accomplished by a later purchase of

the security. A profit or a loss results from a short sale if the price of the security decreases or increases, respectively, between the date of the short sale and the date on which the short position is covered, i.e., the security to replace the borrowed security is purchased. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

Foreign Investments. The Fund may invest in non-U.S. securities, including securities denominated in non-U.S. currencies. Such investments pose currency exchange risks (including blockage, devaluation and non-exchangeability) as well as a range of other potential risks including, depending on the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, foreign securities markets may not be as liquid as U.S. markets. Transaction costs of investing outside the U.S. are generally higher than in the U.S., including the cost of converting foreign currency to dollars, the payment of fixed brokerage commissions on some foreign exchanges and the imposition of transfer taxes or transaction charges by foreign governments and exchanges. Some foreign markets have at times failed to keep pace with transaction volume, thereby creating substantial delays and settlement failures that could adversely affect the Fund's performance.

Derivatives and Swaps; Counterparty Risks. The Fund may invest in complex derivative and swap instruments which seek to modify or replace the investment performance of particular securities, commodities, currencies, interest rates, indices or markets on a leveraged or unleveraged basis. These instruments generally have counterparty risk and may not perform in the manner Springhouse expects, thereby resulting in significant unanticipated loss or gain. These investments are all subject to additional risks that can result in substantial or total loss of all or part of an investment, in particular, interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. Derivatives may have very high leverage embedded in them that could substantially magnify market movements and result in losses greater than the amount of the investment.

Risks Associated with Investment in a Private Fund

Regulatory Oversight. The Fund is not registered as an investment company under the Investment Company Act of 1940 and, therefore, will not be entitled to the various protections afforded by the Act with respect to the Fund's investments.

Limited Right of Withdrawal. Generally, withdrawals may only be made by an Investor at the end of any six month period ending June 30 or December 31 following the first anniversary of initial investment in the Fund. Withdrawals also require at least 75 days' prior written notice to the General Partner and may be subject to substantial lock-up periods as more fully described the Fund's offering documents. In the case of a complete withdrawal from the Fund, a portion of withdrawal proceeds will be withheld by the General Partner until after completion of the audit

of the Partnership's financial statements for the fiscal year in which the withdrawal occurs. Moreover, the withdrawal price payable will be determined as of the date of withdrawal, rather than the date of an Investor's notice requesting that their interest be withdrawn.

Any Investor who subscribes, or proposes to subscribe to an investment in the Fund must be able to bear the risks involved and must meet the Fund's suitability requirements. No assurance can be given that the Fund's investment objectives will be achieved. Fund investments are typically speculative and involve a substantial degree of risk. For further information regarding the risk factors and conflicts of interest with respect to the Fund, please refer to the Fund's offering documents.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of them or the integrity of their management. Springhouse has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

10.A. Registered Representatives

Neither Springhouse nor its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker/dealer.

10.B. Other Registrations

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

10.C. Material Relationships or Arrangements

An affiliate of Springhouse, Springhouse Asset Management, LLC serves as the general partner to the domestic feeder fund. Another affiliate, Springhouse Asset Management, Ltd, serves as manager of the international feeder and the general partner of the Fund. Brian Gaines controls the general partner of the Fund's domestic feeder and is the sole director of the Fund's offshore feeder and general partner.

Gotham Asset Management, LLC ("Gotham") provides back office services such as fund valuation and shareholder services to the Fund for a fee which Springhouse believes is reasonable and within market rates for these types of services. In addition, an affiliate of

Gotham owns an interest in Springhouse and in the general partner of the Fund. By virtue of these relationships, Gotham and its affiliates have access to information about the Fund and its investments that may not be readily available to other Investors, or may not be available at all.

Springhouse owns an interest in Cargo Investment Management, L.P. (“Cargo”), an investment adviser exempt from registration, Cargo Investment Management IM GP, LLC, the general partner to Cargo, and Cargo Partners GP, LLC, the general partner to a pooled investment vehicle managed by Cargo. Springhouse personnel are not involved in the investment activities, such as trading and making investment decisions, for Cargo.

10.D. Recommendation of Other Investment Advisers

Springhouse does not select or recommend other investment advisers for the management of the Fund.

Item 11 – Code of Ethics

11.A. Code of Ethics

Springhouse has adopted a Code of Ethics (the “Code”) pursuant to Advisers Act Rule 204A-1. A basic principle of the Code is that the collective interests of the Fund’s Investors are always placed first. The Code includes standards of business conduct requiring covered persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. The Code also requires that all covered persons comply with ethical restraints relating to clients and their accounts. These restraints include restrictions on personal trading and gifts. They also include provisions intended to prevent violations of insider trading laws. Investors or prospective Investors in the Fund may obtain a copy of the Code by contacting Springhouse at (212) 319-2570.

11.B. Recommendations of Securities and Material Financial Interests

Springhouse and its related persons do not recommend to clients, or buy or sell for client accounts, securities in which Springhouse or a related person has a material financial interest, such as buying or selling, as a principal, securities to or from clients; acting as a general partner in a partnership in which Springhouse solicits client investments; or acting as an investment adviser to an investment company that Springhouse recommends to clients.

11.C. Personal Trading

Springhouse has adopted the Code to ensure that personal investing activities by Springhouse’s employees are consistent with Springhouse’s fiduciary duty to its clients. In order to avoid

potential conflicts that could be created by personal trading by Springhouse employees, the Code restricts the purchase and sale by employees for their own accounts. All employees are required to pre-clear with the Chief Compliance Officer any personal securities transaction in specified securities, including IPOs and limited offerings. All employees are required to submit quarterly personal securities transactions and annual holdings reports for review by the Chief Compliance Officer, who will, in turn, review these reports for trading conflicts with the Fund.

11.D. Timing of Personal Trading

Springhouse's employees are prohibited from investing in the same securities (or related securities, e.g., warrants, options or futures) that are owned or are actively being traded by the Fund or are restricted, without approval by the Chief Compliance Officer. All employees are required to notify the Chief Compliance Officer or his designee in order to pre-clear personal security transactions in equity securities, including options and derivatives, fixed income securities, IPOs and private placements.

Item 12 – Brokerage Practices

12.A. Selection of Broker/Dealers

Springhouse reviews the brokers used and the commissions paid for transaction made on behalf of the Fund in an effort to ensure that the Fund receives the best combination of price and execution with respect to the Fund's portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this review, but a number of other subjective factors may be considered relevant. In applying these factors, Springhouse recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities. The factors include, but are not limited to:

- price;
- the size of the transaction;
- the nature of the market for the security and the timing and impact of the trades on such market;
- the amount of the commission or size of the spread;
- the ability to fulfill the order in a timely manner;
- the broker-dealer's clearance and settlement capabilities;
- the broker-dealer's trade error rate and ability or willingness to correct errors;
- the timing of the transaction, taking into account market prices and trends;

- the reputation, experience and financial stability of the broker-dealer; and
- the quality of service rendered by the broker-dealer in other transactions.

Research and Other Soft Dollar Benefits

Springhouse does not currently maintain any arrangements where it receives products and services from brokers in connection with client securities transactions. Should Springhouse enter into any arrangements or receive products or services on an ongoing basis from broker/dealers it would limit the use of any “soft dollars” to services that constitute brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934.

Brokerage for Client Referrals

Springhouse does not maintain any referral arrangements with broker/dealers.

Directed Brokerage

Springhouse does not accept directed brokerage.

Trade Errors

When a trade error occurs, Springhouse will reasonably determine how to correct the error. In general, if the trade error results in losses, the losses will be covered by the Fund. Documentation of any errors made will be maintained by Springhouse.

12.B. Aggregation of Orders

Springhouse currently only manages the Fund and consequently does not aggregate trades among clients.

Item 13 – Review of Accounts

13.A. Frequency and Nature of Review

Brian Gaines, the Managing Member of the Fund’s general partner and principal owner of Springhouse is responsible and has ultimate authority for all trading and investment decisions made on behalf of the Fund. At least quarterly, the Fund’s portfolio is reviewed by Mr. Gaines to ensure compliance with the Fund’s objectives and restrictions as stated in the Fund’s offering documents.

13.B. Factors That May Trigger an Account Review Outside of Regular Review

The Fund's investments are reviewed on an ongoing basis and may be reviewed specifically with regard to certain factors such as cash flows or in response to market conditions.

13.C. Content and Frequency of Reports

Springhouse, or its service provider, furnishes each Fund Investor with the following written reports:

- Monthly statements that include the unaudited net asset value or capital account balance of the Investor's interest in the Fund and the monthly year-to-date performance, as applicable;
- Investor letters at a minimum annually; and
- Annual audited financial statements of the Fund.

Item 14 – Client Referrals and Other Compensation

Springhouse does not receive any economic benefit from entities or persons other than the Fund for providing investment advice or other advisory services to the Fund. Springhouse does not currently maintain any referral arrangements with individuals or entities that may be compensated, directly or indirectly. If Springhouse were to enter into an arrangement with a third party, it would do so in accordance with Rule 206(4)-3 of the Advisers Act.

Item 15 – Custody

Springhouse is deemed to have custody of client funds and securities according to Advisers Act Rule 206(4)-2 because an affiliate serves as general partner to the Fund. Springhouse does not take or maintain physical custody of any Fund assets and conducts its business operations in such a way that all client cash and investments are preserved in the safekeeping of independent, qualified custodians. The Fund's custodians are banks or broker-dealers unaffiliated with Springhouse. Springhouse distributes audited financial statements to the Fund's Investors within 120 days following the Fund's fiscal year end.

Item 16 – Investment Discretion

Springhouse is retained by the general partner of the Fund to provide investment advisory services on a discretionary basis to the Fund. Springhouse is authorized to make the following decisions according to the Fund's specified investment objectives:

- which securities to buy or sell;
- the broker or dealer through whom securities are bought or sold;
- the total amount of securities to buy or sell;
- the commission rates at which securities transactions for the Fund's account are affected and
- the prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Investments for the Fund are managed in accordance with the Fund's investment objectives, strategies and restrictions, and are not tailored to the individualized needs of any particular Investor in the Fund. Therefore, Investors should consider whether the Fund meets their investment objectives and risk tolerance prior to investing. Information about the Fund can be found in its confidential offering documents, which are available to current and qualified prospective Investors only through Springhouse.

Item 17 – Voting Client Securities

It is Springhouse's policy to vote proxies on behalf of the Fund in accordance with Springhouse's proxy voting policies and procedures. Springhouse will vote such securities for the exclusive benefit, and in the best economic interest, of the Fund and its Investors, as determined by Springhouse in good faith. It is not possible for Investors in the Fund to direct votes made by Springhouse on behalf of the Fund.

Springhouse may not vote proxies depending on circumstances. Springhouse acknowledges its responsibility for identifying material conflicts of interest related to voting proxies. If a conflict may exist which cannot be otherwise addressed, Springhouse may choose one of several options including "echoing" or "mirroring" voting the proxies in the same proportion as the votes of other proxy holders that are not Springhouse clients. A copy of Springhouse's proxy voting policies and procedures and records of how Springhouse voted are available upon request.

Item 18 – Financial Information

18.A. Advance Payment of Fees.

Springhouse does not require or solicit prepayment of fees, six months or more in advance.

18.B. Financial Condition

Springhouse has no financial commitments that impair its ability to meet contractual commitments and fiduciary commitments to clients.

18.C. No Bankruptcy Proceedings

Springhouse has not been the subject of a bankruptcy proceeding.