

**Item 1: Cover Page**

**Spring Lake Equity GP LLC**

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**March 30, 2022**

This brochure (the “Brochure”) provides information about the qualifications and business practices of Spring Lake Equity GP LLC and certain relying advisers. If you have any questions about the contents of this Brochure, please contact us at 617-391-6341. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Spring Lake Equity GP and its relying advisers are registered as an “investment adviser” with the SEC. Registration with the SEC does not imply any level of skill or training.

Additional information about Spring Lake Equity GP LLC and its relying advisers is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). All discussions in this Brochure of the terms, investment strategies, fees and risks applicable to a pooled investment vehicle for which Spring Lake Equity GP LLC or a relying adviser is the managing member, is qualified in its entirety by reference to the applicable organizational and offering documents of that vehicle.

**Item 2:       Material Changes**

This Brochure (Form ADV, Part 2A) dated March 30, 2022, includes changes from our Brochure dated March 30, 2021. We call your attention to:

We are required to inform you of any material updates or changes to our Firm or business practices.

Since our last brochure updated March 30, 2021 we added clarifying language regarding Spring Lake's affiliation with West River Management to Item 10 of this brochure.

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

Spring Lake Equity GP LLC (“Spring Lake Equity GP”) is a limited liability company formed for the purpose of serving as managing member of Spring Lake Equity Partners LLC, a private equity fund (“Spring Lake Equity Partners”). This Brochure also relates to affiliated entities that were formed for the purposes of serving as managing member of other Spring Lake Funds (as defined below), each of which is a private equity fund. Those entities are Spring Lake Equity II GP LLC (“Spring Lake Equity II GP”), Spring Lake/MM Co-Investment GP LLC, (“Spring Lake Equity Co-Investment GP”), Spring Lake/MM Co-Investment II GP LLC (“Spring Lake Equity Co-Investment II GP”), and Spring Lake Equity III GP LLC (“Spring Lake Equity III GP”). We refer to these entities collectively with Spring Lake Equity GP as the “Spring Lake Equity GP Entities” or as “we” or “us”.

The Spring Lake Equity GP Entities are managing members of the following private equity funds:

- Spring Lake Equity GP serves as managing member of Spring Lake Equity Partners.
- Spring Lake Equity II GP serves as managing member of Spring Lake Equity Partners II LLC (“Spring Lake Equity Partners II”).
- Spring Lake/MM Co-Investment GP serves as managing member of Spring Lake/MM Co-Investment LLC (“Spring Lake/MM Co-Investment”).
- Spring Lake/MM Co-Investment II GP serves as managing member of Spring Lake/MM Co-Investment II LLC (“Spring Lake/MM Co-Investment II”).
- Spring Lake Equity III GP serves as the managing member of Spring Lake Equity Partners III LLC (“Spring Lake Equity Partners III”).

We refer to these funds collectively as the “Spring Lake Funds” or as “Clients” and individually as a “Fund” or as a “Client.”

Spring Lake Equity Partners, Spring Lake Equity Partners II, and Spring Lake Equity Partners III invest in operating companies, generally companies whose equity securities are privately held. The co-investment Funds are each invested in a single operating company. Each of the Spring Lake Funds may temporarily invest cash in short-term instruments such as money market instruments, certain government securities or bank certificates of deposit.

Spring Lake Equity GP began operations in July 2013 and the other Spring Lake Equity Entities began operation thereafter.

Spring Lake Equity Management LLC (“Spring Lake Equity Management”) is the investment manager for each of the Spring Lake Funds. Spring Lake Equity Management is also the managing member of each of the Spring Lake Equity GP Entities and controls each of them. Spring Lake Equity Management and the Spring Lake Equity GP Entities share office space and personnel. They have a common Code of Ethics and Chief Compliance Officer. The Spring Lake Equity GP

Entities, the Spring Lake Funds, and the Spring Lake Equity Management do business under the name “Spring Lake Equity Partners.”

Spring Lake Equity Management has entered into an amended and restated sub-advisory agreement with WestRiver Management, LLC (“WestRiver Management”), pursuant to which WestRiver Management provides investment advisory and related services, as requested, with respect to certain Spring Lake Funds. See Item 11 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” / “Certain Other Conflicts of Interest”).

The largest owners of each of the Spring Lake Equity GP Entities are Robert F. Forlenza (“Mr. Forlenza”) and Carmen J. Scarpa Jr. (“Mr. Scarpa”). Mr. Forlenza and Mr. Scarpa left Tudor Investment Corporation (“Tudor”) in July 2013 to operate Spring Lake Equity Partners GP LLC and Spring Lake Equity Management. At Tudor, Mr. Forlenza and Mr. Scarpa were principal members of the Tudor Growth Equity Group, the private equity arm of Tudor. Other direct owners of each of the Spring Lake Equity GP Entities include Tudor Global Trading LLC, a Tudor affiliated entity, and WestRiver Management, the sponsor of WestRiver Equity Partners, LLC (“WestRiver Equity”), an investor in Spring Lake Equity Partners, Spring Lake Equity Partners II, and two of the Spring Lake co-investment vehicles. Some Spring Lake Equity Management personnel also own an interest in one or more of the Spring Lake Equity GP Entities.

Each Spring Lake Equity GP Entity has the discretionary authority to purchase or sell securities on behalf of the Fund for which it is the managing member, though the co-investment vehicles are not expected to purchase additional securities.

Spring Lake Equity Partners and Spring Lake Equity Partners II each have certain large investors referred to as “Anchor Investors.” The Anchor Investors, either directly or through WestRiver Equity, have invested in Spring Lake Equity Partners and Spring Lake Equity Partners II, and one or more of the Anchor Investors has invested in each of Spring Lake/MM Co-Investment, Spring Lake/MM Co-Investment II, either directly or through WestRiver Equity or an affiliate.

Currently, each of the Spring Lake Equity GP Entities, other than the General Partners for Co-investment funds, has an advisory committee (as to each Fund, the “Advisory Committee” and as to the Funds, the “Advisory Committees”). The Spring Lake Equity GP Entities select the members of the respective Advisory Committees.

The principal purpose of each Advisory Committee is to provide such advice and counsel to the Spring Lake Equity GP Entities as may be requested from time to time. Each of the Spring Lake Equity GP Entities expect to consult the pertinent Advisory Committee in the ordinary course on potential investments, although all decisions with respect to such investments remain vested in the Spring Lake Equity GP Entities. The responsibilities of the Advisory Committees are detailed in the Funds’ offering documents.

The Anchor Investors have entered into “side letters” with some of the Spring Lake Equity GP Entities that afford them certain rights, including more favorable economic terms and in some instances co-investment rights under certain circumstances. Some other investors have entered into “side letters” with some of the Spring Lake Equity GP Entities that afford them more favorable economic terms. See Item 11 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” / “Certain Other Conflicts of Interest.”)

As of December 31, 2021, we managed \$449,923,284 in discretionary assets.

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

Each of the Spring Lake Equity GP Entities has the right to receive a performance fee or “carried interest” based on the performance of the applicable Spring Lake Fund. Our affiliate, Spring Lake Equity Management, receives from each Spring Lake Fund a management fee based on either capital committed during the investment period or cost basis of the portfolio after the investment period.

Fund investors may negotiate with respect to the management fee and “carried interest” paid with respect to their interests in a Spring Lake Fund. The Spring Lake Equity GP Entities are permitted to enter into a “side letter” with an investor with respect to economic, as well as other, terms. See Item 11 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” / “Certain Other Conflicts of Interest.”)

Our fees and compensation and that of the Spring Lake Equity Management are set forth in investment management agreements, Fund governance documents, or in some instances “side letters” with some investors.

### *Third-party Fees and Expenses*

In addition to the payment of management fees and performance compensation, the Spring Lake Funds each pay certain third-party expenses and fees. We or Spring Lake Equity Management is responsible for customary overhead expenses of managing each of the Spring Lake Funds, including compensation for employees, rent and utilities. Each of the Spring Lake Funds is responsible for all other expenses incurred by each of them or on their behalf that are not reimbursed by portfolio companies, including legal, auditing, consulting, financing, accounting and administration fees and expenses of the Spring Lake Funds; expenses associated with the Spring Lake Funds’ financial statements, tax returns and K-1s; expenses associated with the Advisory Committee and annual meetings; our out-of-pocket expenses and those of Spring Lake Equity Management for transactions not consummated; other expenses associated with the acquisition, holding and disposition of investments, including but not limited to, break-up costs, other third-party costs and extraordinary expenses (such as litigation, if any); insurance costs, including D&O insurance; and any taxes, fees or other governmental charges levied against the Spring Lake Funds. Investors in the Spring Lake Funds are assessed periodically for such expenses in accordance with their respective sharing percentages.

Each of the Spring Lake Funds has borne all organizational and offering expenses (including legal, travel, accounting, filing, capital-raising and other expenses) incurred in connection with their formation and any other related or affiliated entities, as well as the offering of interests in the Spring Lake Funds. With respect to placement agent fees relating to Spring Lake Equity Partners II and Spring Lake Equity Partners III, see Item 14 (“Client Referrals and Other Compensation”).

Expenses that benefit more than one Fund are generally allocated among the benefitting Funds based on measures that are intended to estimate the relative benefit, including, in some instances, relative assets and relative investment size. However, our co-investment funds generally are not expected to pay broken deal expenses, because such funds are generally formed to invest in a

specific security and are not formed until it has been determined that the investment will be going forward. If the investment does not go forward (that is, there is a broken deal), there generally will not be a co-investment fund that could share in the costs that have been incurred in exploring the transaction. Similarly, expenses that benefit a Fund and us (or Spring Lake Management) are allocated between that Fund and us based on measures that are intended to estimate relative benefit.

**Item 6: Performance Fees and Side by Side Management**

The Spring Lake Equity GP Entities receive a performance fee with respect to each of the Spring Lake Funds. The fact that we are entitled to distributions based on the performance of the Spring Lake Funds creates an incentive for us to cause the Funds to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive is tempered by the fact that losses will reduce a Fund's performance, and thus potentially reduce the compensation paid to Spring Lake GP or our affiliates. As relates to the co-investment Funds, this conflict is substantially mitigated by the fact that they are invested in a single portfolio company that is identified at the time of the investment.

**Item 7: Types of Clients**

We manage solely private equity funds.

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

We generally do not analyze investments independent of the analysis undertaken by our affiliate, Spring Lake Equity Management.

**Methods of Analysis**

Spring Lake Equity Management generally conducts a fundamental analysis of a potential portfolio company, and seeks to evaluate the quality of its management and prospects in its industry in determining whether to make an investment. Its analysis regarding potential disposition of investments is to seek to assess the prospects for future increase in value relative to the value that could be expected upon a present disposition.

**Investment Strategy**

With respect to Spring Lake Equity Partners, Spring Lake Equity Partners II and Spring Lake Equity Partners III, Spring Lake Equity Management has advised and will continue to advise concerning the construction of a diversified portfolio of equity investments primarily in private growth companies in order to fund continued growth, acquisitions and recapitalizations, principally focusing on providing capital to technology companies operating in large, growing markets with opportunities to create value through both innovation and sound business execution. Spring Lake Equity Partners has completed its "investment phase"; Spring Lake Equity Partners II is in its "investment phase", (each as defined in the relevant LLC Agreement) and Spring Lake Equity Partners III will be in its "investment phase" once Spring Lake Equity Partners II investment phase is complete.

Major elements of the private growth investment strategy (the "Strategy") include the following:

- Focus primarily on later-stage growth technology companies with proven value propositions and attractive business models
- Invest in attractive high growth sectors
- Invest in differentiated opportunities, including smaller resource-constrained companies and partial recapitalizations
- Structure investments to optimize risk / reward and align interests
- Exercise valuation discipline
- Add value post-investment by working closely with management of portfolio companies

In addition, we expect that Spring Lake Equity Management will consider, on an opportunistic basis, other investments that have the potential of producing attractive investment returns, including investments in small public companies, companies with modest revenue, non-technology companies and control transactions.

## **Risk of Loss**

**Generally.** Investments in private equity generally and private funds managed using the Strategy provide no certainty of return and have a substantial risk of loss. We are providing an overview of risks that generally relate to the Strategy. Interests in Spring Lake Equity Partners and Spring Lake Equity Partners II each have been offered pursuant to a private placement memorandum that more fully sets forth the risks associated with the Strategy and other risks associated with investing in those Funds. These investment risks set forth in this Brochure are generally applicable to the Strategy, which is the predominate strategy used for each Spring Lake Fund.

**Nature of Investments.** Our Strategy requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to Fund investors. Many investments using the Strategy are highly illiquid, and there can be no assurance of realization in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in-kind to investors. Additionally, the Strategy typically results in the holding of securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. Some investments may be in businesses with little or no operating history and may be difficult to value. Since a Fund makes a limited number of investments, and since a Fund's investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns.

**Considerations of Private Growth Equity Investments.** Although the Strategy offers the opportunity for significant gain, investments using this Strategy also involve a high degree of business and financial risk and can result in substantial loss. Some private growth equity portfolio companies may be at the seed stage of development with no operating history, or at the early stage of development with operating losses and significant variations in operating results. In most cases, these companies require substantial capital to support expansion plans and to achieve and maintain a competitive position. Such companies also face intense competition from established companies with greater resources and capabilities. In providing investment advice, Spring Lake Equity Management may rely upon its own or a portfolio company's projections concerning growth and



performance. Such projections are subject to uncertainty and to certain factors beyond management's control.

***Investments in Technology Growth Companies and Other Portfolio Investments.*** Although the Strategy is not limited to any specific industry, historically our personnel have made a significant number of investments in technology growth companies. Focus on any particular industry or sector may involve risks greater than those generally associated with more diversified strategies, including significant fluctuations on returns. The specific risks faced by technology growth companies include (i) rapidly changing science and technologies; (ii) products or technologies that may quickly become obsolete; (iii) scarcity of management, technical, scientific, research and marketing personnel with appropriate experience; (iv) the possibility of lawsuits related to patents and intellectual property; and (v) rapidly changing market conditions, including changing investor sentiments and preferences with regard to technology sector investments (which are generally perceived as risky). There is no assurance that products or services sold by technology growth companies will not be rendered obsolete or adversely affected by competing products and services.

***Competitive Nature of Private Equity Investment.*** Investment in private equity is highly competitive. When investing, the Funds compete for investments against other groups, including direct investment firms, merchant banks and industrial groups, and we may be unable to identify a sufficient number of attractive investment opportunities to meet investment objectives. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors, other governing body or owners of an acquisition or investment target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within our control. The Funds may also compete with new market entrants. WestRiver Equity, the Anchor Investors, or their respective affiliates may engage in activities in support of their ongoing business strategies which may compete with the Spring Lake Funds.

***Non-U.S. Investments.*** The Funds generally are permitted to invest in businesses operating and/or organized outside of the United States but have not done so frequently. Non-U.S. investments generally involve risk in addition to those typically associated with U.S. investments. For instance, investments in non-U.S. businesses (i) may require significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations, (ii) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States, and (iii) will expose us to potential losses arising from changes in foreign currency exchange rates. In addition, Spring Lake Funds or their investments could become subject to additional or unforeseen taxation in the jurisdictions in which they operate and invests. Changes to taxation treaties (or their interpretation) between the United States and the countries in which a fund invests may adversely affect a Fund's ability to efficiently realize income or capital gains. The foregoing factors could increase transaction costs and adversely impact the value of non-U.S. investments.

***Dependence on Key Personnel.*** The success of the Strategy depends upon the activities of Spring Lake Equity Management personnel. The loss of certain key personnel could have a significant adverse impact on its business and its ability to execute the Strategy effectively.

***Reliance on Management of Portfolio Companies.*** There can be no assurance that portfolio company management will operate successfully. Although Spring Lake Equity Management will

monitor the performance of each investment, the Strategy relies upon management to operate the portfolio companies on a day-to-day basis.

***Considerations Arising from Provision of Managerial Assistance.*** We and Spring Lake Equity Management generally seek to use our commercially reasonable efforts to structure a Fund's investments so that the Fund qualifies as a "venture capital operating company" ("VCOC") within the meaning of regulations promulgated under the Employee Retirement Income Security Act ("ERISA"), or limit investment by "benefit plan investors" (within the meaning of Department of Labor regulations as modified by Section 3(42) of ERISA) to less than 25% of each class of equity interests in a Fund. Qualification as a VCOC, requires rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of a Fund's portfolio companies. Funds for which we are the managing member typically have the right to designate directors to serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders and its creditors, including claims that the Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company, could result in claims against a Fund if the designated directors violate their fiduciary or other duties to a portfolio company, or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles, and could expose a Fund to claims that they have interfered in management to the detriment of a portfolio company. While we manage the Funds in a way that minimizes the exposure to these risks, the possibility of successful claims cannot be precluded.

***Considerations Upon Disposition of Investments.*** In connection with the disposition of an investment in a portfolio company or a public offering of portfolio company securities, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business or may be responsible for the contents of certain disclosure documents under applicable securities laws. A Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities which might ultimately have to be paid by a Fund and, in some instances, by investors to the extent that they have received distributions.

***Follow-On Investments.*** A Fund may be called upon to provide follow-up funding for a portfolio company or have the opportunity to increase its investment in a portfolio company. There can be no assurance that a Fund will wish to make a follow-on investment or that it will have sufficient funds to do so. Any decision by a Fund not to make a follow-on investment or its inability to make a follow-on investment may have a substantial negative impact on a portfolio company in need of such an investment, may diminish a Fund's ability to influence the portfolio company's future development, and may have a substantial negative impact on the value of a Fund's interest in the portfolio company.

***Certain Regulatory Considerations.*** The Funds expect to invest in technology companies, financial services companies and other companies which are or may become subject to regulation by one or more United States federal agencies and by various agencies of the states, localities and counties in which they operate. New and existing regulations, changing regulatory schemes and

the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio companies.

Industries or sectors that are not currently subject to significant regulation may be subject to new or increased regulation in the future. For example, many technology sectors are comprised of young, growing businesses that provide consumers with innovative products and services. As some of these sectors mature, and as the use of their products and services becomes more widespread, they may become subject to new or increased governmental regulation. We cannot predict whether new legislation or regulation governing those sectors will be enacted by legislative bodies or governmental agencies, nor can it predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have a material negative impact on a portfolio company's investment performance.

***Communications and Media Regulatory Considerations.*** Certain communications and media companies are subject to extensive U.S. federal, state and local regulatory requirements. Certain regulations that are intended to limit the concentration of ownership and control of communications and media companies may prevent a Fund from making certain investments that it would otherwise make. Other regulations may cause a Fund to incur substantial additional costs or lengthy delays in connection with the completion or disposition of an investment.

***General Economic Conditions; Covid-19.***

General economic conditions affect portfolio company activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets affect the value of portfolio companies. Instability in the securities markets also increase the risks inherent in invest in a portfolio company.

Covid-19 is causing economic uncertainty generally and for our portfolio companies, in particular. The economic slowdown related to Covid-19 adversely affected some of our portfolio companies in 2020. Due to economic uncertainty related to Covid 19, we cannot currently estimate the extent of future impact on our portfolio companies. In addition to a direct impact on the revenues and profitability of our portfolio companies, we expect that some of our portfolio companies will need to secure additional financing.

We were able to carry on our operations because of the capacity to work remotely, including conferring with management of portfolio companies and will continue to do so until the pandemic is controlled.

The Funds' ability to exit portfolio companies was adversely affected by Covid-19 and until the pandemic is controlled, the level of M & A activity may diminish further impeding or delaying the Funds' ability to exit on favorable terms or on a timely basis.

***Potential Regulation of the Private Equity Industry.*** From time to time, there has been significant discussion regarding greater governmental scrutiny and/or potential regulation of the private equity industry, as private equity firms become more significant participants in the broad-based economy. It is uncertain as to what form and in what jurisdictions such enhanced scrutiny and/or regulation on the private equity industry may ultimately take. Therefore, there can be no assurance as to

whether any such regulatory scrutiny or initiatives will have an adverse impact on the private equity industry, including the ability of a Fund to achieve its objectives.

New laws and regulations, changing regulatory schemes and the burdens of regulatory compliance with respect to a Fund, to us or to any related entity all may have a material negative impact on the performance of a Fund or their portfolio companies. Such legislation and regulations may, directly or indirectly (i) require us or an affiliate to provide reports and other disclosure to investors, counterparties, creditors and regulators; (ii) cause us or an affiliate to alter the management of, or provision of services to, a Fund, including for the purposes of avoiding increased regulatory burdens; (iii) limit the types and structures of the investments available to a Fund, including limitations on the use of leverage; or (iv) otherwise change or restrict the operations of a Fund.

***Certain Tax Considerations.*** Legislative proposals that are generally directed at the taxation of compensatory partnership interests, primarily targeted towards so-called “carried interest” arrangements have been and continue to be considered. Such legislation could result in, among other things, the carried interest paid by Funds to our affiliates being taxed at ordinary income tax rates and subject to self-employment taxes, which may adversely affect our ability to attract and retain certain investment professionals. It is uncertain whether or in what form any such legislation may be enacted.

***Illiquidity of Investments.*** A Fund invests largely in private companies. There may be no readily available market for such investments, many of which will be difficult to value.

***Co-Investment Vehicles.*** Each of the co-investment vehicles is invested in a single portfolio company and is not diversified. Concentration increases risk of loss.

Additional information about our strategies and the associated risks appears in confidential offering memoranda provided to investors prior to their subscriptions.

#### **Item 9: Disciplinary Information**

We have no information to report for this Item.

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

Spring Lake Equity Management is the managing member of Spring Lake Equity GP Entities. West River Management is a minority owner of Spring Lake Equity Management. Additionally, representatives of WestRiver Equity serve on the Advisory Committees for Spring Lake Equity Partners and Spring Lake Equity Partners II.

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

We have adopted a Code of Ethics (the “Code”) designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”). The Code establishes a standard of conduct that reflects Spring Lake Equity Management’s and our employees’ fiduciary obligations to Clients and requires compliance with the federal securities laws. The Code addresses, among other topics, employee personal securities trading, use of confidential information, use of material non-

public information and gifts and gratuities. Our employees are required to obtain approval in advance for certain securities transactions, including the purchase of shares in an initial public offering or in a private offering, including investing in shares of the Spring Lake funds, and to report most securities transactions and holdings. Employees are allowed to purchase an interest in a private offering only if we determine that none of our Clients wishes to do so. Because the Funds typically do not trade in brokered securities, employees generally are permitted to purchase and sell publicly-traded securities, since there is no conflict of interest present. Our employees also are required to report promptly any violation of the Code to our Chief Compliance Officer or a designee.

We provide a copy of our Code to each employee, and our employees are required to acknowledge receipt of the Code annually. A copy of the Code is available upon request directed to Carmen J. Scarpa Jr., Spring Lake Equity Management LLC, 125 High Street, Boston, Massachusetts, 02110.

### ***Certain Other Conflicts of Interest***

Spring Lake Equity Management personnel who operate each of the Spring Lake Equity GP Entities manage private funds. These personnel will devote such time to the management of each Client that the senior management of Spring Lake Equity Management deem appropriate, and there is no obligation on their part to devote any particular amount of time to the management of any Client. We believe that these personnel have sufficient time to manage each of these Clients, but the potential exists for there to be a conflict between or among Funds if responsibilities require more time than we currently anticipate.

WestRiver Management is a registered investment adviser that provides services to third parties, (including WestRiver Equity, through which Anchor Investors have invested in certain of the Spring Lake Funds), as well as to Spring Lake Equity Partners II. The sub-advisory agreement with WestRiver Management does not restrict it from providing advisory services to third-parties. That agreement provides that WestRiver Management promptly will disclose to Spring Lake Equity Management any actual conflict of interest with respect to a Spring Lake Fund.

The members of the Advisory Committees, whose duties are described in Item 4, are not obligated to recommend or take any action in such capacity that prefers the interests of a Spring Lake Fund or investors in a Spring Lake Fund over the interests of WestRiver Equity or over the interests of the Anchor Investors.

One Fund may invest in the same portfolio company as another Fund. In particular, as between two Funds, after the reserves in a prior fund ("Prior Fund") for follow-on investments have been exhausted, another Fund in its investment period ("Current Fund") may, with the approval of its Advisory Committee or Limited Partner Advisory Committee, invest alongside the Prior Fund or make follow-on investments in the Prior Fund's portfolio companies.

Investment by more than one Fund in a portfolio company could give rise to a conflict of interest between those Funds, depending on, among other things, their relative rights and interests in the portfolio company. Other than with respect to co-investment vehicles, we do not expect that Spring Lake Funds frequently will invest in the same portfolio company. As a result of activity on behalf of one Fund, we may from time to time acquire confidential information that we will not

be able to use for the benefit of another Client and that could preclude the purchase or sale of securities of a portfolio company or potential portfolio company.

Spring Lake Equity GP Entities each has the authority to enter into a “side letter” with an investor that allows the investor to invest in a Spring Lake Fund on terms other than those offered to potential investors generally. They have entered such “side agreements” with Anchor Investors and with certain other investors that provide more favorable economic terms.

Both Spring Lake Equity GP and Spring Lake Equity II GP have also entered into “side letters” with the Anchor Investors that provide those investors with the right to participate in co-investment opportunities, if and as they arise, on a priority basis, pro rata based on an Anchor Investor’s respective capital commitments to the particular Spring Lake Fund. Spring Lake Equity III GP has also entered into “side letters” with investors who have made significant capital contributions (“Major Investors”). Spring Lake Equity GP, Spring Lake Equity II GP and Spring Lake Equity III GP may also provide other investors, including but not limited to Major Investors with similar co-investment opportunities, but absent an agreement, investors generally do not have a right to participate in any co-investment opportunity and do not have priority in relation to any other investors or Clients. Spring Lake Equity GP Entities and Spring Lake Equity Management are permitted to consider their own interests when allocating co-investment opportunities to investors who have not entered a “side letter” addressing co-investment opportunities.

An investor making a co-investment is expected to agree to provide Spring Lake Equity GP, Spring Lake Equity II GP and Spring Lake Equity III GP or an affiliate with a carried interest applicable to its investment in an amount to be determined by the applicable Advisory Committee of the particular Spring Lake Fund. Spring Lake Equity Management has created three co-investment Funds (one of which is now closed) since it registered as an investment adviser. The co-investment Funds each pay an advisory fee and compensate a Spring Lake Equity GP Entity through a “carried interest.”

Before allocating an investment to a co-investment fund, our practice is to allocate to a Current Fund (and that is not itself a co-investment vehicle) the amount of an investment that we determine to be appropriate. We base this judgment on a number of considerations, such as the particular Fund’s other investments and their status, the amount of available capital, and the risk associated with the investment. Our economic interest as the manager of a co-investment vehicle and personal investments by our personnel, if any, in a co-investment vehicle could influence our judgment with respect to the allocation of an investment to a co-investment fund. We consult the relevant Advisory Committee before creating a co-investment fund. Investors associated with the current members of the Advisory Committee hold co-investment rights and generally have an interest in a co-investment Fund.

#### **Item 12: Brokerage Practices**

The Spring Lake Funds invest principally in private companies and do not use securities broker-dealers. If the Spring Lake Funds were to need the services of a securities broker-dealer, we or an affiliate would retain a broker-dealer that we expect would be able to provide best execution with respect to the transaction.

#### **Item 13: Review of Accounts**

After a Fund invests and in conjunction with Spring Lake Equity Management, we continually monitor the financial, operational, and strategic performance of portfolio companies along with current industry and financial market conditions to optimize exit opportunities.

In conjunction with Spring Lake Equity Management, we prepare periodic portfolio reports to investors in the Spring Lake Funds as agreed upon in its governing documents. These reports will be provided semi-annually, and financial reports are provided quarterly.

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

We do not pay for client referrals and are not compensated for making such referrals. Our sole clients are the Funds.

We currently have arrangements with third-parties to assist us in the marketing of Spring Lake Equity Partners III fund interests. Such third-parties are registered as broker-dealer members with the Financial Industry Regulatory. Both Spring Lake Equity Partners and Spring Lake Equity Partners II are now closed to additional investment. Spring Lake Equity Partners II had retained a third-party registered broker-dealer, to assist with marketing interests in that Fund.

**Item 15: Custody**

We have custody of the assets of the Spring Lake Funds, due to our role as General Partner to the Funds. Each of the Funds has contracted for an audit conducted by an independent accounting firm subject to the oversight of the Public Company Accounting Oversight Board. We distribute copies of the Spring Lake Funds' audited financials on an annual basis, within 120 days of the Funds' fiscal year end.

**Item 16: Investment Discretion**

We have the authority to exercise investment discretion with respect to investments by the Spring Lake Funds that we manage. We do not manage any Funds on a non-discretionary basis.

**Item 17: Voting Client Securities**

We have authority to vote portfolio securities held by the Spring Lake Funds. Spring Lake Equity Management may advise us with respect to voting. Our policy with respect to voting portfolio securities is intended to ensure that voting rights are used in the best interest of the Funds. In the event a vote presents a material conflict of interest between us and the Funds or between Funds, we will consult counsel.

A copy of the policy with respect to voting portfolio securities and a record of a vote will be made available to a client upon written request directed to Carmen J. Scarpa Jr. Spring Lake Equity Management LLC, 125 High Street, Boston, Massachusetts, 02110.

**Item 18: Financial Information**

There is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

**Item 19: Requirements for State-Registered Advisers**

Not applicable.