

**ITEM 1 COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

SPIRE CAPITAL MANAGEMENT, LLC

December 19, 2024

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF SPIRE CAPITAL MANAGEMENT, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (212) 218-5454 OR [DSTEWART@SPIRECAPITAL.COM](mailto:DSTEWART@SPIRECAPITAL.COM). THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT SPIRE CAPITAL MANAGEMENT, LLC ALSO IS AVAILABLE ON THE SEC'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).

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## **ITEM 2 MATERIAL CHANGES**

The following material changes have been incorporated into this brochure since it was previously filed in March 2023:

- Item 4:
  - Update to Assets under Management as of December 31, 2023.

## ITEM 3 TABLE OF CONTENTS

### Contents

ITEM 1 COVER PAGE .....	1
ITEM 2 MATERIAL CHANGES.....	2
ITEM 3 TABLE OF CONTENTS .....	3
ITEM 4 ADVISORY BUSINESS .....	4
ITEM 5 FEES AND COMPENSATION .....	4
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	6
ITEM 7 TYPES OF CLIENTS.....	6
ITEM 8 METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	6
ITEM 9 DISCIPLINARY INFORMATION .....	8
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	8
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	9
ITEM 12 BROKERAGE PRACTICES .....	9
ITEM 13 REVIEW OF ACCOUNTS .....	9
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION .....	10
ITEM 15 CUSTODY .....	10
ITEM 16 INVESTMENT DISCRETION.....	10
ITEM 17 VOTING CLIENTS' SECURITIES.....	10
ITEM 18 FINANCIAL INFORMATION .....	11

#### **ITEM 4 ADVISORY BUSINESS**

Spire Capital Management, LLC and Spire Capital Management III, LLC, each a Delaware limited liability company (together, the "Adviser"), launched in November 2006 with its principal office in New York. The principal owners are Andrew J. Armstrong, Jr., Bruce M. Hernandez, Sean C. White, and David K. Schaible.

The Adviser and its affiliates (the "Affiliates" or the "Advisers") provide administrative and/or investment management services to U.S. limited partnerships and limited liability companies (each a "Private Fund" and one or more collectively, the "Private Funds"), and one or more single investment special purpose investment vehicles (each an "SPV" or a "Private Fund" and one or more collectively "Private Funds") based on their respective investment objectives. The Advisers tailor their advisory services as described in the investment program of the relevant Private Fund's private placement memorandum, or as set forth in such Private Fund's organizational documents and any investment management agreement with such Private Fund. The Adviser's investment program is limited to private equity securities. Please refer to Item 8 for a more detailed description of the Advisers' investment strategies as well as the securities and other instruments purchased by the Advisers on behalf of the Private Funds.

As of the date hereof, the Advisers provide administrative and/or investment management services to the following Private Funds: Spire Capital Partners III, L.P. ("SCP III"), Spire III Co-Investments, LLC, Spire Capital Partners IV, L.P. ("SCP IV"), and Spire IV Co-Investments, LLC all of which are pooled investment vehicles formed under the laws of the State of Delaware.

In addition, the Advisers have the right to enter and have entered into agreements, such as side letters, with certain underlying investors of the Private Funds (each an "Investor", and collectively "Investors") that might in each case provide for terms of investments that are more favorable to the terms provided to other Investors. Such terms could include the waiver or reduction of management and/or incentive fees/allocations, the provision for additional information or reports, rights related to specific regulatory requests of certain investors, more favorable transfer rights and more favorable liquidity rights.

Persons reviewing this Form ADV Part 2A should not construe this as an offering of any of the Private Funds described herein, which will only be made pursuant to the delivery of a private placement memorandum to prospective investors.

The Adviser managed \$742,343,976 million in regulatory assets under management within its Private Funds as of December 31, 2023, on a discretionary basis.

#### **ITEM 5 FEES AND COMPENSATION**

Generally, management fees are charged at a rate of 2.0% per annum -- during the Investment Period, such fee is calculated as a percentage of total capital committed and, during the period thereafter, as a percentage of the total capital contributions that were used to fund the cost of remaining portfolio company investments, less the cost of any such investment that has been written-off. Management fees are reduced by a percentage of break-up fees, transaction fees, monitoring fees and all placement fees paid. Proceeds realized upon the disposition of assets are distributed in accordance with the terms of the private placement memorandum and limited partnership agreement (the "Governing Documents") for each Fund through a tiered schedule. The Adviser and its Affiliates might also receive performance fees in the form of carried interest, discussed in greater detail in Item 6 below. A complete description of all fees and

compensation are contained within each Fund's Governing Documents.

Per the terms of each Private Fund's Investment Management Agreement ("IMA"), the Adviser's duties include providing services relating to portfolio analysis and consulting and assisting the General Partner in the management of the business and affairs of the Private Funds. Management of the business and affairs of the Private Fund shall include the preparation and maintenance of the books and records of the Private Fund, communicating with Partners (including the furnishing of periodic financial reports) or with the general public, making disbursements of fees and expenses on behalf of the Private Fund where required, and such other activities relating to the administration of Private Fund affairs and the conduct of Private Fund activities. Absent extraordinary circumstances, a Private Fund's IMA will remain in effect beyond the liquidation of the final equity investment until the Private Fund is wound up and fully dissolved.

Management fees are paid quarterly in advance. In the event that a Private Fund's IMA with the Advisers terminates prior to the final dissolution of a Private Fund during a period covered by Management Fees paid in advance, the Advisers would pro rate such Management Fee and reimburse the Private Fund the portion of such Management Fee covering the remainder of the period (i.e. from the date of termination to the end of the period). Under ordinary circumstances, the final Management Fee would be paid at the beginning of the quarter in which the final equity investment is liquidated. As such no refund of Management Fees would be due at the time of the liquidation of the final equity investment because the IMA remains in effect until the final winding up and dissolution of the Private Fund occurs several quarters later.

Management fees, incentive fees and carried interest are deducted directly from each Private Fund account. The Adviser and/or its Affiliates might waive all or part of any management fee and/or carried interest to which it may otherwise be entitled from any Private Fund.

The Adviser and/or its Affiliates will receive certain fees from companies in which they have invested on behalf of Private Funds and/or in connection with transactions (*e.g.*, break-up, transaction, and portfolio company monitoring fees). Investors in a Private Fund invested in such companies will receive a benefit from such fees only to the extent set forth in the Governing Documents of such Private Fund.

A Private Fund will bear the following expenses: investment-related expenses (e.g. costs and expenses associated with the investigation of investment opportunities (whether or not consummated), negotiating, financing, sourcing, acquiring, holding, settling and disposing of its investments or proposed investments and other transaction costs, including travel expenses, transaction fees, consulting advisory, investment banking, legal and other professional fees relating to investments or contemplated investments, investment banking or brokerage commissions, information-related expenses, and certain expenses of the operations team as described below), expenses incurred in the collection of monies owed to the Private Fund, legal, auditing and accounting expenses (including expenses associated with the preparation of such Private Fund's financial statements, tax returns and schedule K-1s), reasonable expenses of such Private Fund's advisory board and its member insurance expenses (including directors and officers insurance, errors and omission insurance and other similar policies), fees and expenses of such Private Fund's administration, any entity-level taxes, fees or other governmental charges levied against the Private Fund or any special purpose vehicle or alternative investment vehicle, all litigation-related and indemnification expenses, wind-up and liquidation expenses, extraordinary expenses and expenses comparable to any of the foregoing.

Neither the Adviser, its Affiliates, nor any of their supervised persons accept compensation for the sales of securities or other investment products.

#### **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Adviser's Affiliates receive performance-based compensation in the form of carried interest with respect to some of the Private Funds. The existence of carried interest payable to the Adviser and/or an Affiliate could create an incentive for any of them to make riskier or more speculative investments on behalf of a Private Fund than would be the case in the absence of this arrangement. Carried interest can also create an incentive for the Adviser to hold investments for longer periods of time so as to increase the amount of distributions to the General Partner. The Adviser's compliance policies and procedures and Code of Ethics contain provisions prohibiting the favoring of the Adviser, its supervised persons or other Private Funds.

#### **ITEM 7 TYPES OF CLIENTS**

The Private Funds to whom the Adviser or its Affiliates provide investment management services and advice are private funds and single investment special purpose investment vehicles.

The offering documents of each Private Fund may set minimum amounts for investment by prospective investors in such Private Funds. These minimum amounts can be waived by the Adviser or an Affiliate.

Investors in the Private Funds could include pension plans, family offices, fund of funds, banks, insurance companies, governmental plans, foreign investors and individuals.

#### **ITEM 8 METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The Adviser generally pursues or has pursued on behalf of its Private Funds, investments by the creation of a diversified portfolio focused on relatively small growth and buyout strategies in the following sectors: Business, Information, Education, Media and Communication companies. Investments generally tend to be active, lead and control investments. Each Private Fund's Investment Committee conducts a meeting with each investment team to review diligence materials, return information and specific market data for each potential investment. After reviewing all the information, a majority vote of the Investment Committee is required in order to make an investment. After consummating the investment, the investment team is charged with monitoring and reporting on the investment to the Investment Committees on a periodic basis.

Private Funds' investment portfolios may differ based on whether they concentrate their investment in a single one of these strategies, all of the strategies, or fewer of the strategies. A Private Fund's investment portfolio might also differ based on its geographical focus, liquidity needs and other considerations.

The investment programs for each of the Private Funds involve a substantial degree of risk. The Adviser has listed certain risks below; however, these risks are not comprehensive. A more comprehensive description of the associated risks is contained in each Private Fund's private placement memorandum or organizational documents of each Private Fund. In addition, while certain risks might be more significant for certain investment strategies, some risks could overlap investment strategies.

**Illiquid and Long-Term Investments; Market Risks.** An investment in a Private Fund requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to Investors. Many investments made by or on behalf of a Private Fund by the Advisers will be highly illiquid, and there can be no assurance that the Advisers will be able to realize on such investments

in a timely manner on behalf of such Private Fund. In addition, in some cases, the Adviser might be prohibited by contract from selling certain securities on behalf of a Private Fund for an extended period of time.

**Availability of Suitable Investment Opportunities.** The management buyout and private equity investment industry in which the Advisers are engaged on behalf of the Private Funds is highly competitive. There can be no assurance that the Advisers will be able to locate and complete investments which satisfy a Private Fund's rate of return objectives or that the Advisers will be able to invest fully the committed capital of any Private Fund.

**Limited Number of Investments.** The Advisers might only participate in a limited number of investments on behalf of a Private Fund and, as a consequence, the aggregate return to the Investors in such Private Fund could be substantially and adversely affected by the unfavorable performance of a single investment.

**No Market for Interests; Restrictions on Transferability; No Withdrawal Rights.** The interests acquired by Investors in each Private Fund ("Interests") have not been registered under the Securities Act of 1933 (the "1933 Act") or the securities laws of any state or other jurisdiction, and cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the Interests under the 1933 Act or other securities laws will ever be effected. There is no public market for the Interests and none is expected to develop. An Investor will also generally not be permitted to assign its Interests without the prior consent of the Adviser or one of its Affiliates, which may be withheld in such person's sole discretion. Investors cannot, except in extraordinary circumstances, withdraw from the Private Fund in which they are invested. Consequently, Investors might not be able to liquidate their Interests prior to the expiration of the term applicable to such Private Fund, and must be prepared to bear the risks of owning Interests for an extended period of time.

**Currency Risk.** Interests are denominated in U.S. dollars, while the Advisers could purchase investments on behalf of any Private Fund in non-U.S. currencies. Therefore, fluctuations in currency rates might adversely affect the performance of such investments in non-U.S. issuers. Furthermore, investments outside the United States or denominated in non-currencies pose other currency exchange risks, including restrictions on repatriation of proceeds of investments, devaluation and non-exchangeability.

**Risks of Investing in Developing Companies.** The Advisers will make investments on behalf of Private Funds in developing companies. Such companies face significant risks including, among others, intense competition from companies with greater financial and other resources, an inability to grow as anticipated, lower than expected revenue and greater than expected costs, product obsolescence and lack of availability of qualified personnel.

**Leverage.** The Advisers, on behalf of the Private Funds, are expected to make investments that include companies whose capital structures could have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although the Advisers seek to use leverage in a prudent manner, the leveraged capital structure of such investments increases their exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of the company or its industry. Additionally, the securities acquired by the Advisers on behalf of the Private Funds will generally be the most junior in what is likely to be a complex capital structure and thus subject to the greatest risk of loss.

**Legal, Tax and Regulatory Risks.** The regulatory considerations affecting the ability of the Advisers to achieve the investment objectives of any Private Fund are complicated and subject to change. In addition, other legal, tax and regulatory changes could occur during any Private Fund's term that may adversely affect such Private Fund, the companies in which it is invested or such Private Fund's Investors.

**Diverse Limited Partner Group.** Investors might have conflicting investment, tax and other interests with respect to their investments in Private Funds. The conflicting interests of individual Investors could relate to or arise from, among other things, the nature of investments made by the Adviser or its Affiliates on behalf of the Private Fund in which such Investors are invested, the structuring or the acquisition of such investments and the timing of disposition of such investments. In selecting and structuring investments appropriate for a Private Fund, the Advisers will consider the investment and tax objectives of the Private Fund as a whole, and not the investment, tax or other objectives of any of its Investors.

**Fair Valuation of Securities.** Due to the non-public nature of the investments in the Private Fund portfolios, fair valuation is the primary means by which the portfolio investments are valued. The Adviser utilizes an independent third-party service provider to assist in the fair market value determination of securities on a quarterly basis. Public securities may be owned for a variety of reasons and the Adviser will value in accordance with the Adviser's policies and procedures. The process uses each investment's financial statements, comparable public company multiples and, if applicable, private company transaction multiples and each investment's distribution agreement to derive fair market value. The Private Funds' Investment Committees conduct meetings with each investment team quarterly to review the fair market value and then votes on whether to accept the value as presented by the independent third-party service provider.

**Impact of Disease Pandemics.** The outbreak of an infectious disease in the United States or elsewhere, such as the novel coronavirus (*e.g.*, "COVID-19"), together with any resulting travel restrictions or quarantines, could result in disruptions to the Adviser and/or third-party service providers on which the Adviser relies. Given that the nature, timing, and severity of an outbreak is unknown, the extent to which an epidemic might impact the Adviser, its investments, or its advisory operations is uncertain. In addition to impacting the Adviser and its third-party providers, a pandemic may have a negative impact on the economy and business activity in the United States and worldwide leading to potential significant disruption, volatility, and potential losses across financial markets. Clients of the Adviser must be prepared for such potential losses and while the Adviser has processes in place to ensure business continuity and to monitor the performance of its vendors and underlying investments, the uncertainty around the nature, type, breadth, and duration of an epidemic and the overall potential impact to the Adviser's operations and client investments is unclear.

## **ITEM 9 DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory business or the integrity of the Adviser's management by any present or prospective investor.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The General Partner for each Private Fund is a related person of the Adviser. There is little potential for conflict in allocating investment opportunities amongst Private Funds, because generally only one pool is investing in platform opportunities at any point in time.

When making portfolio company investments, the Adviser will, at its discretion, appoint portfolio company board members who are affiliated with the Private Funds, Adviser or its personnel. Such affiliations may include familial relationships and may be compensated by the portfolio company for their role in performing advisory board functions. Additionally, on occasion, the Adviser may have its personnel assume an executive management role or roles at a Portfolio Company. Such position may receive compensation from the Portfolio Company.

#### **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

The Adviser has implemented a Code of Ethics policy (the "Code of Ethics"), that prohibits supervised persons from engaging in transactions with respect to the securities of any issuer, public or private, subject to certain limited exceptions. The Code of Ethics specifies and prohibits certain types of transactions and establishes general guidelines for the conduct of the personnel of the Advisers as well as clearance and/or reporting requirements and enforcement procedures. All supervised persons are required to place the interests of the Private Funds and Investors before their own. All permitted personal transactions in securities by supervised persons must be accomplished so as to avoid conflicts of interest in the part of such personnel with the interests of the Private Funds. All supervised persons must avoid actions or activities that allow a person to profit or benefit from their position with respect to the Private Funds or that otherwise improperly bring into question the person's independence or judgment. All supervised persons must report any violation(s) of the Code of Ethics or inappropriate behavior to the Adviser's Chief Compliance Officer. All supervised persons must comply with all applicable laws, rules and regulations including the Federal securities laws. The Code of Ethics also contains general prohibitions against fraud, deceit and manipulation, as well as additional restrictions and requirements regarding gifts, entertainment and outside activities.

Adviser personnel are permitted to invest in portfolio companies only through direct investment in the Co-Investment vehicles for each Fund, generally through an ownership interest in the General Partner of that Fund, therefore any potential conflicts of interest are avoided.

#### **ITEM 12 BROKERAGE PRACTICES**

From time to time, the Adviser will choose the investment banks (i.e. broker-dealers) to facilitate the sale of a portfolio company and negotiate the terms of the investment banks' engagement, including the fees to be paid to the investment bank. In determining which investment banks to engage, the Adviser typically takes into consideration the investment banks' financial condition, reputation, prior deals and industry expertise and contacts.

#### **ITEM 13 REVIEW OF ACCOUNTS**

The Adviser performs various monthly, quarterly and annual reviews of the Private Funds' portfolios. Monthly reviews include portfolio financial performance. Quarterly reviews include portfolio valuation reviews by the Private Funds' Investment Committees. Periodic reviews include portfolio monitoring by the Adviser's Chief Financial Officer. A review of a Private Fund account may be triggered by an unusual activity or special circumstance.

Investors in each Private Fund receive from the Adviser or its Affiliates, in an electronic format, unaudited quarterly reports providing summary financial and other information on the Private Fund in which such Investor is invested. The Adviser or its Affiliates could provide certain Investors with information on a more

frequent and detailed basis if agreed to by the Adviser or its Affiliates. In addition, the Adviser or its Affiliates provide to Investors in each Private Fund, typically in an electronic format, audited financial statements concerning the Private Fund in which they are invested and tax information necessary for the completion of such Investor's tax return within 120 days of the end of the Private Fund's fiscal year.

Investors are also provided with performance and other detailed information so that each Investor can monitor its investment in each relevant Private Fund. The Adviser welcomes inquiries from Investors in the event any Investor desires information not contained in the Adviser's Form ADV Part 1, Form ADV Part 2 or other relevant offering material or Private Fund reports.

In addition, the Adviser and its Affiliates will hold an annual meeting or conference call for each Private Funds' respective Investors.

#### **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

The Adviser does not receive economic benefits from non- Private Funds for providing investment advice and other advisory services.

The Adviser has entered into written agreements with third parties to solicit certain types of prospective investors to the Private Funds. Such arrangements will generally provide for the compensation of the third party for their services to be made at the Adviser's expense.

#### **ITEM 15 CUSTODY**

The Adviser is considered to have custody of Private Fund assets because the security interests are non-certificated private investments and as such are not required to be held by a qualified custodian. The Adviser additionally is considered to have custody due to the fact that the General Partners of the Private Funds are related persons. Lastly, the Adviser has constructive custody due to the fact that it directly debits its fees from Private Fund accounts. The Adviser complies with the requirements of the audit exemption from certain requirements of Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended. Each Private Fund undergoes an annual audit by an independent accountant registered with the Public Company Accounting Oversight Board. Each such audited financial statement is prepared in accordance with Generally Accepted Accounting Principles and is distributed to all Investors within 120 days of each Private Fund's fiscal year end. Custody of Private Fund cash and publicly traded securities is maintained by a qualified custodian.

#### **ITEM 16 INVESTMENT DISCRETION**

The Adviser or its Affiliates have been appointed as the investment manager, management company, manager or general partner of each Private Fund with discretionary investment authorization over the assets of each such Private Fund. The Adviser or its Affiliates have full discretionary authority with respect to investment decisions, and its advice with respect to each Private Fund is made in accordance with the investment objectives and guidelines as set forth in such Private Fund's respective private placement memorandum, if any, investment management agreement or other organizational document.

#### **ITEM 17 VOTING CLIENTS' SECURITIES**

Each Private Fund's Investment Committee is responsible for reviewing proxies for conflicts of interest and ensuring the voting of such proxies. The Adviser does not generally intend to hold publicly traded securities on behalf of its Private Funds. In the event that the Adviser obtains publicly traded securities as part of its acquisition, holding or disposition of assets for any of its Private Funds, the relevant Private Fund's Investment

Committee shall vote in the interest of maximizing the value of the Private Funds' investments.

To the extent that the actions by the Adviser and/or its representatives act on behalf of a portfolio company held for the benefit of any Private Fund is deemed to be an exercise of "voting authority with respect to client securities" within the meaning of Rule 206(4)-6 under the Advisers Act, the Adviser shall act in a manner consistent with such Private Fund's best interests when executing such authority. It is anticipated that the alignment of interests between a Private Fund and the interests in the portfolio companies held on its behalf will minimize conflicts of interest issues. If a potential conflict of interest does arise, the CCO or relevant Private Fund's Limited Partner Advisory Committee will review the relevant vote to ensure adherence with the Adviser's policies.

#### **ITEM 18 FINANCIAL INFORMATION**

The Adviser is not required to include a balance sheet for its most recent financial year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Private Funds, and has not been the subject of a bankruptcy petition at any time during the past ten years.