

Item 1: Cover Page



PART 2A OF FORM ADV: FIRM BROCHURE

**Spring Lane Management, LLC
100 Cambridge St, Ste 1802
Boston, MA 02114**

March 28, 2024

This brochure provides information about the qualifications and business practices of Spring Lane Management, LLC (“SLM”) and its relying adviser, Spring Lane Management Canada Inc. (“Relying Adviser”) (collectively, “Spring Lane Capital” or the “Manager”). If you have any questions about the contents of this brochure, please contact Nikhil Garg, the Manager’s Chief Compliance Officer at (514) 585-7606 or Nikhil@SpringLaneCapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Any reference to Spring Lane Capital as a registered investment adviser does not imply a certain level of skill or training.

Additional information about Spring Lane Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure contains updated information about Spring Lane Management, LLC's business since the last amendment to the Form ADV dated March 2023. This section of the Brochure will address only those "material changes" that have been incorporated since the last annual delivery or posting of this document on the SEC's public disclosure website (IAPD). Because there have been no material changes to SLM's business, there are no material changes in this updated Brochure.



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Item 4: Advisory Business

Item 4.A.

Spring Lane Management, LLC, a Delaware limited liability company, together with its relying adviser Spring Lane Management Canada Inc., a Canadian Corporation were formed in April 2017. Robert Day, Nikhil Garg, and Christian Zabbal are the founding Principals and owners of Spring Lane Capital.

Item 4.B.

Spring Lane Capital is an investment management firm that provides advisory services to high-net-worth individuals and institutional investors through privately-offered, pooled investment vehicles, Spring Lane Capital Canada Fund I, LP, a Ontario limited partnership (the “**Canadian Fund I**”), Spring Lane Capital Canada Fund II, LP, a Ontario limited partnership (the “**Canadian Fund II**”) Spring Lane Capital Fund I, LP., a Delaware limited partnership (the “**U.S. Fund I**”), Spring Lane Capital Fund II, LP., a Delaware limited partnership (the “**U.S. Fund II**”), Spring Lane Capital Co-Investments, LP, a Delaware limited partnership (the “**Co-Invest**”), Spring Lane Capital Offshore Fund I, LP, a Delaware limited partnership (the “**Offshore Fund I**”), and Spring Lane Capital Offshore Fund II, LP, a Delaware limited partnership (the “**Offshore Fund II**”) (collectively called the “**Fund**” or “**Funds**” and each a “**Fund**”). The general partner of the U.S. Fund I and the Offshore Fund I is Spring Lane Capital Partners, LP, a Delaware Limited Partnership (the “**U.S. General Partner I**”), and the general partner of the U.S. Fund II, the Co-Invest and the Offshore Fund II is Spring Lane Capital Partners II, LP, a Delaware Limited Partnership (the “**U.S. General Partner II**”), and the general partner of the Canadian Fund I is Spring Lane Capital Partners Canada GP, Inc. (the “**Canadian General Partner I**” and together with the U.S. General Partner, collectively, the “**General Partner**”). The general partner of the Canadian Fund II is Spring Lane Capital Partners Canada GP II, Inc. (the “**Canadian General Partner II**” and together with the U.S. General Partner, collectively, the “**General Partner**”).

The General Partner and the Relying Adviser are subject to the Advisers Act pursuant to the Manager’s investment adviser registration in accordance with SEC guidance. This brochure also describes the business practices of the General Partner and the Relying Adviser, which operate as a single advisory business together with the Manager.

Funds I and II are parallel private equity funds formed for the purpose of investing in a diverse portfolio of projects, companies, and securities (the Funds’ investments, collectively, the “**Portfolio Investments**”). The Funds’ investment objective is to generate attractive total returns over time. The Funds seek to achieve their investment objective by making debt, equity, growth equity, and equity-related investments (and affiliated corporate investments) across a variety of sectors, including, without limitation, the food, water, waste, and energy sectors. The Funds are expected to focus on making Portfolio Investments that are project-level securities and structurally senior to other layers of the capital structure. The Funds will seek to invest primarily in Portfolio Investments located in the United States and Canada.

Item 4.C.

The Manager’s investment management and advisory services to the Funds are provided pursuant to the terms of the private placement memorandum and investors in the Funds cannot obtain services tailored to their individual specific needs.



Item 4.D.

Spring Lane Capital does not participate in a wrap fee program.

Item 4.E.

As of December 31, 2023, Spring Lane Capital manages approximately \$418,646,404 in regulatory assets under management on a discretionary basis. Spring Lane Capital does not intend to manage any assets on a non-discretionary basis.

Item 5: Fees and Compensation

Item 5.A.

The Funds will pay to Spring Lane Capital (or its designee) an annual management fee (the "**Management Fee**"), payable quarterly in advance commencing on the initial closing and on each January 1, April 1, July 1 and October 1 thereafter. During the **Investment Period** (defined herein as "the date of the initial closing of the interests in the Funds and will end on the date that is five years (i.e., 60 months) after the date of the first closing of the interest in the Funds at which the aggregate capital commitments equal or exceed \$150 million"), the Management Fee will be an aggregate amount, calculated with respect to each limited partner of the Funds (a "**Limited Partner**" and, together with the General Partner the "**Partners**"), equal to 2.0% per annum (0.50% per quarter) of the Funds' aggregate capital commitments (other than capital commitments of the related investors), plus applicable taxes. Following the Investment Period, the Management Fee will be an aggregate amount, calculated with respect to each Limited Partner, equal to 2.0% per annum (0.50% per quarter) of net invested capital (other than capital commitments of the related investors), plus applicable taxes. "**Net Investment Capital**" means (a) the aggregate capital contributions invested by the Funds in Portfolio Investments plus capitalized Fund expenses incurred in connection with such Portfolio Investments, less (b) the aggregate amount of capital contributions invested by the Funds in Portfolio Investments, the interest of which have been sole or otherwise substantively disposed of, capital contributions invested by the Funds which have been written off or written down and (c) capitalized Fund expenses incurred in connection with such Portfolio Investments, plus applicable taxes.

In some instances, the Firm and or the applicable General Partner will collect a Management Fee, payable by the Limited Partner for each calendar quarter following the initial closing of the applicable Fund and shall be an amount equal to 2.0% per annum (0.50% per quarter) of net invested capital, plus applicable taxes, calculated with respect to the Limited Partner pro rata based of its net invested capital on the day immediately prior to the date on which relevant payment of the Management Fee is required to be made.

Management fees are generally not negotiable; however, the Manager, in its sole discretion, may waive or modify management fees for certain investors or clients.

Item 5.B.

The Funds' administrator will deduct the Management Fee and incentive allocations with respect to each Limited Partner and realized Portfolio Investments.



Item 5.C.*Other Fees*

The General Partner will establish an advisory committee (the “**Advisory Committee**”), which the General Partner aspires to consist of at least three and not more than nine representatives of unaffiliated Limited Partners of the Funds selected by the General Partner. The following matters will require the prior approval of the Advisory Committee (i) all matters involving a material conflict of interest and (ii) any affiliated transaction the General Partner or the Funds enter into in accordance with the terms of the limited partnership agreement and applicable governing documents (“**Governing Documents**”), including the payment of any fees or amounts that are paid by any individual, corporation, company, association, partnership, limited liability company, joint venture, trust or unincorporated organization, governmental entity or any other judicial person (together, a “**Person**”) to the General Partner, any affiliate of the General Partner or their respective directors, officers and employees in connection with the acquisition, termination, cancellation or abandonment of any Portfolio Investment or potential Portfolio Investment that is ultimately not consummated, including any transaction, closing, advisory, investment banking, “break-up” or “topping” fees, “commitment fees”, (excluding any amounts paid to any Person specifically as reimbursement of expenses or under indemnification, contribution or other similar provisions or agreements in connection with such Portfolio Investment or potential Portfolio Investment, and deducting any amounts paid by the recipient of such fees or amounts (x) to any third party of amounts owed to such third party in connection with such Portfolio Investment or potential Portfolio Investment or (y) to the General Partner or any affiliate of the General Partner (including the Manager) or their respective directors, officers and employees, to reimburse such Person for expenses or similar amounts incurred by such Person in connection with such Portfolio Investment or potential Portfolio Investment) or any fees from any Person paid, whether in cash or in-kind, to the General Partner, any affiliate of the General Partner or their respective directors, officers and employees that is the subject of a Portfolio Investment or any affiliate of such Person, including any monitoring fees, advisory fees, directors fees or consultant fees; provided, that transaction fees shall not include (i) amounts paid as reimbursement for out-of-pocket third-party expenses incurred in connection with providing services in respect of which such Transaction Fees were paid, (ii) any amounts paid to independent contractors for consulting and advisory fees in connection with any Portfolio Investment or potential Portfolio Investment that is ultimately not consummated, (iii) any fees that may be treated as additional interest from a Portfolio Investment, (iv) any compensation, not to exceed the Fund’s pro rata share based on capital commitments and parallel fund commitments of \$500,000 per annum in the aggregate, that is paid to the Manager for the services of an employee or officer of the Manager, General Partner or one of their respective affiliates who has been employed, engaged or otherwise retained on a contractual basis on terms that are not more favorable to such employee than arm’s length, either temporarily or permanently over an extended period of time, by the Portfolio Investment, in order to assist the Portfolio Investment in its business or (v) any fees approved by the Advisory Committee (together, the “**Transaction Fees**”).

In the event the General Partner, the Manager, any of their affiliates or any of their respective directors, officers and employees that are actively involved in the investment activities of the Spring Lane Capital Funds receives any Transaction Fees relating to the investment activities of the Spring Lane Capital Funds, an amount equal to 100% of the dollar amount of such Transaction Fees will be applied on a dollar-for-dollar basis to reduce (but not below zero) the dollar amount of the Management Fee to be paid by the Funds on the date of, or in the periods following, payment of such fees (the “**Management Fee Offset**”); provided, that at the time of the liquidation of the Funds, the excess Transaction Fees, if any, that have not been applied to reduce the Management Fee will be contributed to the Funds for distribution to each of the Limited Partners unless such Limited Partner has elected not to receive such distributions.



Offering and Organizational Expenses

The Funds will bear expenses incident to the organization of the Funds and the General Partner but excluding any placement fees (the “**Organizational Expenses**”), up to a maximum of \$1,500,000 with any excess to be offset against the Management Fee.

Operating Expenses

Each of the Manager and the General Partner will be responsible for its own normal and recurring routine operating expenses, such as compensation of its professional staff and the cost of office space, office equipment, utilities and other such normal overhead expenses, as well as any fees for membership in industry associations.

The Funds will be responsible for all other expenses related to the business and operation of the Funds including but not limited to the following (such expenses, collectively, “**Fund Expenses**”):

- (a) all reasonable expenses incurred in connection with the investigation, research, diligence, acquisition, development, financing, management, operation and disposition of any Portfolio Investment, including without limitation, all travel expenses, long distance telephone expenses, accounting expenses, legal fees and disbursements, transfer agent fees and expenses, and expenses of other service providers, advisers and consultants;
- (b) Management Fees, including costs of managing assets for Portfolio Investments;
- (c) all out-of-pocket expenses incurred in connection with the preparation or delivery of or otherwise relating to reports made to the Limited Partners or the administration of the Funds, including, without limitation, audit costs and the costs of the Funds’ administrator;
- (d) all costs incurred in connection with the preparation of or relating to reports required to be filed in connection with the activities of the Funds with any Governmental Authority, including, without limitation, any taxing authority (including, but not limited to, Form ADV and Form PF, and reports required to be filed pursuant to the EU Directive 2011/61/EU on the regulation of Alternative Investment Fund Managers);
- (e) all costs related to litigation involving the Funds or any Portfolio Investment, including, without limitation, settlement payments, payments of damages, and attorneys’ fees incurred in connection therewith to the extent that the subject of the litigation to be funded and the beneficiary of such insurance would be entitled to indemnification pursuant to the **Governing Documents**;
- (f) all costs related to the Funds’ indemnification or contribution obligations set forth in the **Governing Documents**;
- (g) interest on and fees and expenses arising out of all permitted borrowings made by the Funds;
- (h) all costs and expenses associated with temporary investments of the Funds;
- (i) the costs of any litigation, director and officer liability or other insurance (including allocated costs thereof incurred by the Manager), provided that the Funds are named beneficiaries in the applicable insurance policy, and indemnification or extraordinary expenses and liabilities relating to the affairs of the Funds;
- (j) expenses (including travel expenses) of the Advisory Committee;
- (k) all unreimbursed out-of-pocket expenses relating to transactions that are not consummated, including legal, accounting, investment banking, advisory, financing and consulting fees;



- (l) all reasonable fees and expenses incurred in connection with the Funds' annual meeting or any special meeting of the Partners;
- (m) any taxes, fees or other governmental charges levied against the Funds and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund;
- (n) expenses incurred by the General Partner as the Tax Matters Partner or the Partnership Representative (each as defined in the **Governing Documents**);
- (o) expenses relating to a defaulting Limited Partner;
- (p) expenses incurred in connection with hedging transactions;
- (q) valuation costs, including those incurred by independent appraisers; and
- (r) all expenses of liquidating and winding-up the Funds.

However, the General Partner and the Manager are responsible for all of their own normal and recurring routine operating expenses, such as, compensation of its professional staff and the cost of office space, office equipment, utilities and other such normal overhead expenses.

Specific to Fund I and its parallel funds, expenses will be capped when in excess of (i) \$425,000, incurred in the aggregate during the fiscal year of the relevant Fund(s) or (ii) \$4 million, incurred in the aggregate, during the term of the relevant Fund(s). The foregoing limitations will not apply to any Fund Expenses that are not reasonably foreseeable or that are otherwise outside the control of the General Partner. For additional information regarding each of the Fund(s) Expenses, or limitations thereof, please refer to the applicable Governing Documents of the Fund(s).

Item 5.D.

The Funds will pay a management fee in advance as set forth in Item 5A above.

Item 5.E.

Not Applicable. Neither Spring Lane Capital nor its supervised persons are compensated for the sale of securities or other investment products.

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

The Funds allocate a portion of their investment profits to the General Partner as carried interest, subject to the terms and conditions set forth in the Funds' organizational documents, as detailed below.

Distributions of cash proceeds (net of fees, expenses and reserves therefor) from the sale of securities and distributions of securities-in-kind, together with dividends, interest or other income realized from Portfolio Investments, generally will be preliminarily apportioned among the Partners in proportion to their respective capital contributions relating to such Portfolio Investment. The amount so apportioned to the General Partner or an affiliate of the General Partner will be distributed to it; provided, that prior to the termination of the Funds, distributions may only take the form of marketable securities; provided, further that in connection with the termination and liquidation of the Funds, distributions also may include restricted securities or other assets of the Funds for which the General Partner shall seek a valuation.

The amount so apportioned to a Limited Partner will then be immediately reapportioned as between such Limited Partner, on the one hand, and the General Partner on the other hand, and distributed as follows:



- i. *Return of Capital Contributions*: 100% to such Limited Partner until such Limited Partner has received distributions pursuant to this clause (i) in an amount equal to such Limited Partner's capital contributions;
- ii. *Preferred Return*: 100% to such Limited Partner until such Limited Partner has received, without duplication, distributions equal to 8% per annum compounded annually, as calculated on all such Limited Partner's unreturned capital contributions;
- iii. *Carried Interest Catch-up*: 100% to the General Partner or its affiliate (the "**Carry Partner**") until the General Partner or such affiliate has received cumulative distributions of 20% of the aggregate amount distributed in respect of such Limited Partner pursuant to the immediately preceding clause (ii) and this clause (iii); and
- iv. *Additional Carried Interest*: thereafter, 80% to such Limited Partner and 20% to the Carry Partner (the distributions to the Carry Partner pursuant to clause (iii) and this clause (iv), "**Carried Interest**").

The Funds may make cash distributions to the Carry Partner, out of proceeds otherwise distributable to the Limited Partners, in an amount sufficient to pay the Carry Partner's income taxes on income allocated to the Carry Partner. Such distributions will be counted as an advance against, and will reduce, future distributions otherwise to be made to the Carry Partner.

In addition, certain Funds may have more favorable performance-based compensation arrangements than others. Because the Manager and its investment personnel manage more than one Fund, the potential exists for one Fund to be favored over another Fund. While it is expected all such Funds will include a Carried Interest or performance allocation to a Spring Lane Capital, not all such Funds may have the same Carried Interest percentage and other terms of such Funds may vary.

Accordingly, the Manager has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple Funds, including Funds with different fee arrangements, and the allocation of investment opportunities. The Manager reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. In addition, Spring Lane Capital's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata. Such an allocation policy is based on certain factors that include such items as (1) relative committed capital and/or un-invested capital of each Fund, (2) investment horizon(s), (3) investment objectives, (4) diversification requirements and/or (5) successor fund/predecessor fund preferences.

Item 7: Types of Clients

Spring Lane Capital provides discretionary investment management services to privately-offered, pooled investment vehicles, as described above in Item 4.B.



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

Item 8.A.

Investment Objective

The Funds' investment objective is to generate attractive total returns over time. The Funds seek to achieve their investment objective by making debt, equity, growth equity, and equity-related investments in a diverse portfolio of projects, companies and securities across a variety of sectors, including without limitation, the food, water, waste and energy sectors. The Funds will seek to make investments in small to mid-sized project pools with total capital requirements ranging from \$10-30 million per pool for Fund I and the Parallel Funds and \$20-50 million for Fund II and its Parallel Funds, alongside where applicable smaller (\$1-4 million for Fund I and Parallel Funds and \$2-10 million for Fund II and its Parallel Funds' investments into the corporate equity of the companies that will be utilizing these project pools. Such corporate equity investments are expected to take a number of different forms (e.g., preferred equity, warrants, or other formats), and are intended to position the Manager to better manage the project pools while protecting the Funds' overall investments. Even though these investments are expected to represent a small portion of the Funds' investment strategy, they are an important feature of the Funds' strategy.

Investment Strategy

The Funds will seek to leverage Spring Lane Capital's network and expertise to identify companies in the Funds' primary target industries (i.e., water, energy, food, transportation and waste) that are deploying cash-generating, decentralized assets, and offer them a relatively unavailable way to finance these assets by wrapping them up in a project structure – structuring pools of capital that owns the operating assets, in contrast to corporate-level equity or debt. The Funds seek to invest in a diversified portfolio of approximately 10-15 “project pools”, comprised of “first generation” or “second generation” projects. A “project pool” is a special purpose vehicle established to fund multiple projects that typically require less than \$20 million per individual project. Each project pool will only be with a single company or counterparty.

While “first generation” project pools generally will be the first structured finance solution made available to companies that are vendors or developers of the project's subject assets, it is important to note that even in these cases the Funds typically only will provide such financing for technologies and products that the Manager believes are commercially available and have an established performance track record. The Manager refers to such pools as “first generation” because they are often the first third-party financing for such projects.

Management Characteristics

The Manager believes the value proposition of “first generation” project pools to the solution-providers will enable the Funds to obtain attractive rates of return, while still effectively owning cash-generating, proven assets. The Manager believes such investments provide a favorable risk-profile as compared to other investment approaches previously applied into these markets, such as traditional venture capital structures. After these first generation project pools are largely deployed, where possible and deemed attractive, the Funds will then seek to provide additional (“second generation”) project pools to these same solution-



providers using similar structures and upon similar terms. The Manager currently expects that once a company has successfully completed a “first generation” and “second generation” project pool, the company will seek to raise additional project finance funds from traditional investors or public markets. The Manager currently expects such investment opportunities to be of interest to larger institutional investors who gain knowledge of the opportunities through affiliation with the Funds.

Investment Criteria

The imbalance between capital supply and demand allows the Manager to be highly selective in seeking investment opportunities. In particular, the Funds will seek investment opportunities which meet the following investment criteria:

- Proven technology demonstrated by successful commercial deployment.
- Regulatory frameworks with a high degree of legislative certainty.
- Strong collateral value for underlying assets and relatively liquid markets for collateral disposition.
- The ability to leverage prior experience or penetrate a new market that offers multiple future investment opportunities through replicable structures.
- Strong fundamental business models for development and operational assets (i.e., Spring Lane Capital believes ownership of the underlying business or project would be beneficial to the Funds).
- Experienced development teams with which the Manager has, or has the prospect of developing, an ongoing working relationship, and which have demonstrated the ability to develop multiple projects and effectively manage project construction and operation.

In addition, the Manager will generally favor companies which demonstrate the following additional characteristics:

- Existing commercial revenue from sales of the same systems and solutions being considered for project pool investment, with a preference for more performance and revenue track record rather than less.
- The presence of a core of a strong management team with high execution track record and potential.
- Strong customer economics and value proposition.
- Asset costs small enough that the project pool structure will be an appropriate fit versus traditional infrastructure methodologies, but large enough that there is significant near-term scale-up potential.
- A financing structure where a Spring Lane Capital owned special purpose vehicle (“SPV”) will either own outright or be senior in the capital stack of owning the cash- generating assets.
- The presence of, and necessary contracts with, key stakeholders outside of the target company; for instance, including installers and service providers, suppliers, distributors, etc.
- A strong and stable developer or platform entity with a credible set of investors backing them.
- Strong environmental benefits, as an indicator of improved system efficiency and favorable market conditions, as well as an indicator of potential impact.



- Opportunities that are not driven by one single regulation or policy.
- Large and growing market opportunities.
- A strong pipeline of potential customers who specifically are attracted to the sales model that would be enabled by a project pool investment.

Item 8.B. and Item 8.C.

Risk Factors

General

An investment in the Funds is speculative and involves significant risks. Described below are the principal risks and uncertainties that the Funds, the Manager and the General Partner believe affect the Funds or could affect the Funds in the future. The risks and uncertainties described below are not the only ones facing the Funds. Additional risks and uncertainties that the Funds, the Manager and the General Partner are not aware of or that they currently deem immaterial or underweight may also negatively affect the Funds' business operations. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Funds will meet their investment objectives or otherwise be able to successfully carry out their investment program. In evaluating whether to make an investment in the Funds, potential investors should carefully read and consider the risks and uncertainties described below, together with all of the other information included in the relevant offering documents and this brochure. If any of the following risks actually occur, the Funds' financial condition and results of operations could be materially and adversely affected. If this were to happen, the Funds' ability to make distributions in the future may be adversely affected, the value of the Portfolio Investments could significantly decline, and you could lose all or part of your investment.

Risks Related to Business, Structure and Operations

The Funds have limited operating history. If the Funds are unable to implement their business strategy or operate their business as currently expected, their operating results may be adversely affected, and the Funds may not be able to make distributions in the future.

The Funds have limited operating history upon which potential investors may evaluate their performance. Businesses such as the Funds, which are starting up or in their initial stages of development, present substantial business and financial risks and may suffer significant losses. While the Manager has an executive management team, which members the Manager believes are experienced in the food, water, waste, energy and related sectors, their prior experience and relationships in the industry may not be successfully transferred to the Manager and/or Funds. As a new company, the Funds also must establish operating procedures, implement new systems and complete other tasks necessary to conduct its intended business activities. The performance and investment profile of other funds advised by the Manager or other affiliates of the General Partner should not be used as an indicator of the likely performance or investment profile of the Funds.



The Funds are dependent on the Manager and its key personnel for their success, and the Funds may not find a suitable replacement for the Manager if the investment management agreement is terminated or if key personnel leave the employment of the Manager or otherwise become unavailable to the Funds.

The Funds are dependent on the Manager for their day-to-day management, as the Funds do not have any independent officers or any employees. The Manager has significant discretion as to the implementation of the Funds' asset acquisition and operating policies and strategies. Accordingly, the Funds believe that their success will depend to a significant extent upon the efforts, experience, diligence, skill and network of business contacts of the executive officers and key personnel of the Manager. The executive officers and key personnel of the Manager will evaluate, negotiate, structure, close and monitor the Funds' asset acquisitions, and their success will depend on their continued service. The departure of any of the executive officers or key personnel of the Manager could have a material adverse effect on the Funds' performance.

In addition, the Funds offer no assurance that the Manager will remain the Manager or that the Funds will continue to have access to the Manager's principals and professionals. If the investment management agreement is terminated and no suitable replacement is found to advise the Funds, the Funds may not be able to execute their business plan or investment strategies.

The Funds' ability to make distributions to their Partners is dependent upon their net income; there is no guarantee that the Funds will generate sufficient net income to make such distributions.

The Funds may make distributions of income and gains at the discretion of their respective General Partners. The Funds' ability to make distributions, if any, will depend on, among other things, their gross equity returns, legal restrictions on the payment of distributions, and other factors that their General Partner may deem relevant. There can be no assurance that the Funds will generate sufficient distributable cash to make any distributions to Partners or that the Funds will be able to liquidate their investments on favorable terms.

The Funds cannot assure the return of capital.

The Funds' success depends on the ability of their respective General Partners and the Manager to identify and select appropriate assets, as well as their ability to acquire, manage and dispose of those assets. Although current returns from investments may vary, prior to partial or complete disposition (which may not be until a number of years after the initial investment is made) there may not be a current return on any Portfolio Investment. There can be no assurance that the Funds will achieve their investment or performance objectives, including the identification of suitable investment opportunities and the achievement of targeted returns, or that the Funds will be able to fully invest their capital commitments. The Funds may lose some or all of their invested capital, and prospective investors should not subscribe for Interests unless they can readily bear the consequences of such loss.



The Funds may change their investment strategies without Limited Partner consent, which may result in the Funds making investments that entail more risk than their current investment strategies.

The Funds' investment strategies may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets in which they invest and their ability to finance such assets on a short or long-term basis. Investment opportunities that present unattractive risk-return profiles relative to other available investment opportunities under particular market conditions may become relatively attractive under changed market conditions, and changes in market conditions may therefore result in changes in the investments the Funds' targets. Decisions to make investments in new asset categories present risks that may be difficult for the Funds to adequately assess and could therefore reduce either the Funds' ability to make distributions or have adverse effects on their liquidity or financial condition. A change in the Funds' investment strategies may also increase their exposure to interest rate, foreign currency, energy, waste, water, food, and related market or credit market fluctuations. In addition, a change in each Fund's investment strategy may impact the number of transactions it enters into with affiliates. The Funds' failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect their results of operations and their financial condition.

The Funds' assets may be used to satisfy their liabilities and other obligations and may have insufficient assets to satisfy such liabilities and obligations which could require the Partners to return amounts previously received.

The assets of the Funds, including any energy, waste, water, food, and related investments made by the Funds, any capital held by the Funds and unfunded capital commitments are available to satisfy all liabilities and other obligations of the Funds. If the Funds become subject to a liability, parties seeking to have the liability satisfied may have recourse to the Funds' assets generally and may not be limited to any particular asset, such as the investment giving rise to the liability. In addition, a Limited Partner may be required under each Fund's governing documentation to make capital contributions to satisfy such liabilities or other obligations or to return amounts previously received under certain circumstances and may be liable under applicable fraudulent conveyance, bankruptcy or other insolvency laws to return a distribution.

A default by a Limited Partner may have adverse consequences on other Limited Partners.

If a Limited Partner defaults on its obligation to make required capital contributions, it may be difficult for the Funds to make up the shortfall from other sources. Other Limited Partners may be required to make additional contributions to replace such shortfall, thereby reducing the diversification of their investments. Any default by one or more Limited Partners could substantially impair each Fund's ability to complete its investment program or otherwise continue operations.

In the event that a Limited Partner fails to fund any of its capital commitments when required, among other remedies available to the Funds, such Limited Partner's Interest may be subject to partial or complete forfeiture, the General Partner may arrange a sale of such Limited Partner's Interest, the Funds may withhold distributions from such Limited Partner, such Limited Partner may not be entitled to participate in any vote, consent or decision to be made by the Limited Partners of the Funds and/or the Limited Partner may be prohibited from participating in future investments of the Funds.



The Funds may be negatively impacted by regulatory changes.

The Funds must comply with various legal requirements, including requirements imposed by anti-money laundering laws, securities laws, commodities laws, tax laws, pension laws and other applicable laws, rules and regulations of the United States, Canada and other jurisdictions. Should any of those laws change during the term of each Fund, the legal requirements to which the Funds and their Limited Partners may be subject could differ materially from current requirements and may materially and/or adversely affect the Funds. Furthermore, the US securities laws applicable to the Interests, the Funds, their General Partners or the Manager (including, without limitation, the Securities Act, the 1940 Act, the *U.S. Securities Exchange Act of 1934*, as amended (the “**Exchange Act**”) and the Advisers Act are regularly under review by persons involved in the legislative process and by the SEC (as applicable), resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. These laws may be modified by legislative, judicial or administrative action at any time.

Revisions to applicable securities and other laws and interpretations thereof could adversely affect the Interests, the Funds, their General Partners, the Manager or their respective affiliates and, in that regard, could require modifications to the Funds’ intended investment program or increase compliance costs of operating the Funds. Other jurisdictions, including Canada, are similarly reviewing their respective laws, regulations and policies with respect to private investment funds and their investment advisers and any changes thereto may have an adverse effect on the Interests, the Funds, their General Partners, the Manager or their respective affiliates.

The current US federal administration has publicly contemplated the roll-back of various business and financial regulations, including portions of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (the “**Dodd-Frank Act**”) and the Volcker Rule. The effects of such a roll-back of financial regulations, if implemented, are uncertain. Such a roll-back may improve the prospects of financial institutions in supporting economic growth and the prospects on non-investment grade companies but may also increase equity and credit market volatility. In an environment of reduced financial regulations, regulated banks may be willing to underwrite riskier transactions or compete more aggressively in the leveraged loan markets, which may result in increased competition to the Funds with respect to their investments. Accordingly, the potential roll-back of financial regulations may increase the risk or decrease the investment opportunities for the Funds.

The Funds may be subject to anti-corruption laws

In recent years, regulators have placed an increased focus on the *U.S. Foreign Corrupt Practices Act* (“**FCPA**”), the *United Kingdom Bribery Act of 2010* (“**UKBA**”), the *Corruption of Foreign Public Officials Act* (Canada) and other anticorruption laws, anti-bribery laws, rules and regulations, as well as anti-boycott regulations, to which the Manager, the General Partners, the Funds and/or the portfolio companies may be subject (collectively, the “**Anti-Corruption Laws**”). Such Anti-Corruption Laws may result in the Funds and their portfolio companies incurring additional costs and expenses or otherwise affect the management and operation of the Funds and/or their portfolio companies. In addition, any determination that the Manager, the General Partners, the Funds and/or any portfolio company have violated any Anti-Corruption Law could subject them to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct and/or securities litigation, any one of which could adversely affect the Manager, the General Partners, the Funds and/or their portfolio companies.



A failure in the Funds,' the General Partner's or the Manager's or its service providers' operational systems or information technology and security infrastructure, or those of third-parties, could disrupt the Fund's business, result in the disclosure of confidential information, damage the Funds' reputation and cause losses.

The Funds' and the Manager's business are substantially dependent on the Manager's and their respective service providers' (including affiliates of the Manager) ability to process and monitor a large number of transactions, many of which are complex, across numerous and diverse consumable resource markets. These transactions often must adhere to the terms of legal and regulatory standards governing the use and disclosure of sensitive consumer information. The Funds, their General Partners, the Manager and their respective service providers are responsible for developing and maintaining operational systems and information technology and security infrastructure, which is challenging and depends, in part, on the ability of the Funds' service providers, including the Manager, to monitor third-party service providers to whom the Funds' service providers outsource information technology and data processing functions. The General Partner's, the Manager and their respective service providers' financial, accounting, data processing, security or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond their control, such as a spike in transaction volume, system disruptions and failures caused by fire, power loss, telecommunications failures, unauthorized intrusion (cyber-attack), computer viruses and disabling devices, natural disasters and other similar events, which may interrupt or delay the Funds' ability to process transactions. Security breaches, acts of vandalism and developments in computer intrusion capabilities could result in a compromise or breach of the technology that the Funds use to protect their borrowers' personal information and transaction data.

In addition, certain errors may be repeated or compounded before they are discovered and rectified. If one or more of such events occurs, this could potentially jeopardize confidential and other information processed and stored in, and transmitted through, the computer systems and networks of the Manager and its service providers, which could result in significant compliance and remediation losses, reputational damage and legal liabilities to the Funds.

The Funds and the SPVs are exposed to counterparty risk.

The Funds and the SPVs are exposed to the risk that third parties that may owe the Fund or an SPV money, securities or other assets will not perform their obligations. These parties include end customers, trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, administrators and other financial intermediaries. Although the Manager intends to enter into transactions with responsible and creditworthy counterparties, failure by a counterparty to fulfill its contractual obligations to the Funds or any SPV (due to credit, liquidity or other reasons) could expose the Funds to unanticipated losses. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or whether the Funds have concentrated their transactions with a single or small group of counterparties.

Investments may be unspecified and Limited Partners will not have an opportunity to evaluate the Funds' investments.

The capital contributions of the Limited Partners are intended to be invested in investments that have not yet been selected. Limited Partners will not have an opportunity to evaluate for themselves the investments in which the Funds' capital will be invested or the terms of these investments. The Limited Partners must



depend upon the ability of their respective General Partner and the Manager with respect to the selection of investments. Because such investments may occur over a substantial period of time, the Funds face the risk of changes in long-term interest rates and other adverse changes in market conditions.

Investment analyses may be taken on an expedited basis.

Investment analyses and decisions by the General Partners and the Manager may be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Funds at the time of making an investment decision may be limited, and the Funds may not have access to detailed information regarding the investment. Therefore, no assurance can be given that the General Partners and the Manager will have knowledge of all circumstances that may adversely affect an investment. In addition, the General Partners and the Manager may rely upon independent consultants in connection with its evaluation of proposed investments or aspects thereof, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or to the Funds' right of recourse against them in the event errors or omissions do occur.

The Funds will be subject to uncertain asset valuation.

The Funds will provide annual reports setting forth the estimated values for all of their investments and will periodically engage appraisals of their investments. Limited Partners will need to rely on the judgment of the General Partners and the Manager and third-party valuation agents for valuing and pricing such Fund investments both for financial statement purposes and in connection with disposing of such investments. A valuation is only an estimate of value and is not a precise measure of realizable value. Ultimate realization of the value of an asset depends to a great extent on economic and other conditions beyond the control of the Funds. Further, valuations do not necessarily represent the price at which an investment would sell since market prices of investments can only be determined by negotiation between a willing buyer and seller. If the Funds were to liquidate a particular investment, the realized value may be more than or less than the appraised valuation of such investment.

Disease and Epidemics

The spread of disease and epidemics may have a negative impact on the General Partners, the Funds, the Portfolio Investments and their performance and financial position. Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses, and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, the General Partner's and the Funds' operations and those of the Portfolio Investments could be negatively affected if personnel are quarantined as a result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on the business of the General Partner, the Funds and the Portfolio Investments. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in



Wuhan, China, and has spread around the world, with resulting widespread business and social disruption. COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, but such adverse effects are expected to be material. While governmental agencies and private sector participants are seeking to mitigate the adverse effects of COVID-19, including by implementing such measures as closures of “non-essential” businesses, heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel, and other restrictions, and the medical community is seeking to develop vaccines and other treatment options, the efficacy of such measures is uncertain and a vaccine is not expected to be available before 2021. The General Partner’s, the Funds’ and the Portfolio Investments’ operations and business results could be materially adversely affected. The extent to which COVID-19 (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions required to contain COVID-19 or treat its impact, among others.

Russia-Ukraine Conflict.

There is currently an ongoing military conflict between Russia and Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund’s ability to fulfill its investment objectives.

Custodial Institution Risk: Bank, Broker-Dealer, and Other Entities.

Investments within the Funds are typically maintained with custodial entities, which may include financial institutions such as banks and broker-dealers, and certain assets might not be covered by SIPC or FDIC insurance. Historically, United States banks have been perceived as comparatively secure repositories for assets; however, during the initial segment of the year 2023, incidents of bank failures or the looming threat thereof accentuated the potential risks emanating from such occurrences.

The Funds may suffer losses pertaining to funds and securities held in custody in the event of the insolvency, negligence, fraudulent conduct, substandard administration, or insufficient recordkeeping of a custodian or sub-custodian. Fund operations could be adversely impacted by the failure of a bank or broker-dealer entrusted with the custody of fund assets. Potential ramifications may encompass delays in trade settlement, impediments or failures in the delivery of securities, postponements in the disbursement of withdrawal proceeds to investors participating in the Funds, or even the forfeiture of cash retained with a failed bank or broker-dealer in the



absence of intervention by the appropriate authorities to preclude such loss. Notwithstanding the presence of insured accounts, substantial delays could be encountered in facilitating withdrawals.

Industry-specific Risks

General

The Funds will be subject to the risks normally associated with the acquisition of equity and/or debt interests in consumable resource developments and/or in businesses that engage in energy and infrastructure development.

The Funds will acquire equity and/or debt interests in consumable resource developments and/or in businesses that engage in energy and infrastructure development. As a result, the Funds will be subject to certain risks normally associated with development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Funds, such as adverse weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Funds and on the amount of funds available for distribution to the Partners.

Risks related to the Advanced Energy Industry (e.g., Solar Industry, Wind Energy Industry).

The Funds will be subject to the risks associated with investing in companies that develop and operate solar power products.

The Funds' investment program may involve investments in companies that develop and operate solar power products, who face a variety of risks. Materials and components used to develop solar power products are often procured from a limited number of third-party suppliers. A failure to develop or maintain relationships with these or other suppliers may lead to higher costs and delays, leading to order cancellations and loss of market share. Moreover, these companies often expect to derive their revenues from new solar power products that are still under development and not commercially available. There is a risk that these companies will not be able to recover losses incurred to develop these products and technologies and become profitable. In addition, failure by these companies to refine their technology and develop and introduce new solar power products could cause products to become uncompetitive or obsolete, causing sales to decline. While the market for solar power products is emerging and rapidly evolving, future success is uncertain, and widespread adoption or sufficient demand for solar power products could take longer to develop than anticipated, which would also cause a lack of profitability. These companies also face intense competition in a market that is rapidly evolving, and there is a possibility that competitors will attract and retain more customers and achieve more success in cost-cutting and will establish a market position that is more prominent.



The Funds may invest in companies that are sensitive to weather and climate conditions, including the effects of global warming.

Certain portfolio companies may be more dependent on weather and climate conditions for successful operation. For example, solar power generators rely on the frequency and intensity of sunlight, wind turbines upon the frequency and intensity of the wind. Companies focused on biomass rely on the production of crops, which can be adversely affected by droughts and other weather conditions, and nuclear and many fossil fuel-fired power plants require large volumes of water to operate.

Moreover, the effect of global climate change may impact the operations of the Spring Lane Capital's portfolio companies. Climate change creates physical and financial risk and some of Spring Lane Capital's portfolio companies may be adversely affected by such climate change. For example, the needs of customers of energy companies vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the cost of energy could adversely affect the cost of operations of Spring Lane Capital's portfolio companies if the use of energy products or services is material to their business. A decrease in energy use due to weather changes may affect some of the portfolio companies' financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions

Solar power portfolio companies rely on trade secret laws and contractual restrictions to protect their proprietary rights, and, if these rights are not sufficiently protected, their ability to compete and generate revenue could suffer.

Policing unauthorized use of intellectual property is difficult, expensive and time-consuming, and solar power companies may be unable to determine the extent of any unauthorized use. Furthermore, the laws of other countries in which Spring Lane Capital's portfolio companies may market their solar cells may offer little or no protection for the proprietary technologies developed by such portfolio companies. Reverse engineering, unauthorized copying or other misappropriation of proprietary technologies developed by solar power companies could enable third parties to benefit from their technologies without paying to do so. Any inability to adequately protect proprietary rights could harm Spring Lane Capital's solar power portfolio companies' ability to compete and generate revenues.

Portfolio companies which produce wind energy will depend on wind resources.

The financial performance of portfolio companies which produce wind energy is dependent upon the availability of wind resources. The strength and consistency of wind resources at wind projects will vary. Weather patterns could change, or the historical data could prove to be an inaccurate reflection of the strength and consistency of the wind in the future. If wind resources are insufficient, the assumptions underlying the economic feasibility about the amount of electricity to be generated by wind projects will not be met and the portfolio company's income and cash flows will be adversely impacted. Wind-producing portfolio companies' and the Manager's evaluations of portfolio company wind projects will be based on assumptions about certain conditions that may exist and events that may occur in the future. A number of additional factors may cause the wind resource and energy capture at wind projects to differ, possibly materially, from those initially assumed by the portfolio company's management, including: the limited time period over which the site-specific wind data were collected; the potential lack of close correlation



between site-specific wind data and the longer-term regional wind data; inaccurate assumptions related to wake losses and wind shear; the limitations in the accuracy with which anemometers measure wind speed; the inherent variability of wind speeds; the lack of independent verification of the turbine power curve provided by the manufacturer; the potential impact of climatic factors, including icing and soiling of wind turbines; the potential impact of topographical variations, turbine placement and local conditions, including vegetation; the power delivery schedule being subject to uncertainty; the inherent uncertainty associated with the use of models, in particular future-oriented models; and the potential for electricity losses to occur before delivery.

Furthermore, portfolio companies' wind resources may be insufficient for them to become and remain profitable. Wind is naturally variable. The level of electricity production at any portfolio company's wind projects, therefore, will also be variable. If there are insufficient wind resources at a project site due to variability, the assumptions underlying the company's belief about the amount of electricity to be generated by the wind project will not be met. Accordingly, there is no assurance that portfolio companies' wind resources will be sufficient for them to become or remain profitable.

Risks related to the Food/Agribusiness Industry

Investments in agriculture/farmland are subject to various risks.

Investments in agriculture/farmland are subject to various risks, including adverse changes in national or international economic conditions, adverse local market conditions, adverse natural conditions such as storms, floods, drought, windstorms, hail, temperature extremes, frosts, soil erosion, infestations and blights, failure of irrigation or other mechanical systems used to cultivate the land, financial conditions of tenants, marketability of any particular kind of crop that may be influenced, among other things, by changing consumer tastes and preferences, import and export restrictions or tariffs, casualty or condemnation losses, government subsidy or production programs, buyers and sellers of properties, availability of excess supply of property relative to demand, changes in availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, governmental regulation of and risks associated with the use of fertilizers, pesticides, herbicides and other chemicals used in commercial agriculture, zoning laws and other governmental rules and fiscal policies, energy prices, changes in the relative popularity of properties, risk due to dependence on cash flow, as well as acts of God, uninsurable losses and other factors which are beyond the control of the Fund.

Companies in the agribusiness market segment are susceptible to certain risks.

Companies in the agribusiness market segment are susceptible to certain developments which may reduce demand for products and services provided by companies in such segments, such as the increased availability of food and other agricultural commodities, decreased demand for agricultural commodities for fuel production, changing dietary and consumption patterns and increased availability of food in food-scarce regions. Companies in the agribusiness market segment also may be affected by developments relating to sanitation and food safety, including developments relating to pollution or the use of products such as pesticides and fertilizers, and public perception relating to these developments. Companies in the agribusiness market segment also are subject to risk relating to changing weather patterns and natural disasters.



Agribusinesses may be materially impacted by changing governmental policies.

Green Agribusinesses and Agribusinesses are exposed to a variety of risks and uncertainties related to the action or inaction of governmental bodies. The outcome of ongoing World Trade Organization negotiations regarding agricultural production could have a material effect on the international trade of agricultural commodities, which may result in a corresponding effect on the demand for agricultural commodities and equipment in many areas of the world. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products, can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed agricultural commodity products are traded and the volume and types of imports and exports. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Future government policies may adversely affect the supply, demand for and prices of agricultural products, restrict the ability of the Manager's portfolio companies to do business in existing and target markets and cause financial results to suffer.

The availability, demand for and price of agricultural commodities and agricultural products can be affected by weather, disease and other factors beyond the control of the Agribusiness portfolio companies the Manager may invest in.

Weather conditions have historically caused volatility in the agricultural commodity industry, and consequently could affect the operating results of the Agribusiness portfolio companies the Fund may invest in, by causing crop failures or significantly reduced harvests, which can adversely affect the supply and pricing of the agricultural commodities that portfolio companies sell and use in their businesses and negatively affect the creditworthiness of customers and suppliers. The availability and price of agricultural commodities are also subject to other unpredictable factors, such as choice of crops planted, government farm programs and policies, demand for certain agricultural commodities, price volatility as a result of increased participation by non-commercial market participants in commodity markets and changes in global food demand resulting from population growth and changes in standards of living. In addition, the supply and price of agricultural commodities can be affected by factors such as plant disease, including Asian soybean rust, which has in recent years affected soybean crops in Brazil and the United States. Demand for agricultural and commodity products can also be adversely affected by the outbreak of disease in livestock and poultry. These factors may cause volatility in the agricultural commodity industry and, consequently, in the operating results of the Agribusiness portfolio companies the Manager may invest in.

Agribusiness portfolio companies may be vulnerable to industry cyclicalities and increases in raw material prices.

Many Agribusiness companies are affected by industry cycles and raw material costs. For example, in the oilseed processing industry, the lead time required to build an oilseed processing plant can make it difficult to time capacity additions with market demand for oilseed products such as meal and oil. When additional processing capacity becomes operational, a temporary imbalance between the supply and demand for oilseed processing capacity might exist, which, until the supply/demand balance is restored, negatively impacts oilseed processing margins. Oilseed processing margins will continue to fluctuate following industry cycles, which could negatively impact profitability. This is also the case for the fertilizer industry, as availability of raw materials and production capacity may not always be aligned with market demand.



Producers of food products and fertilizers may also be adversely affected by increases in the prices of agricultural commodities and fertilizer raw materials that are caused by market fluctuations beyond the control of our portfolio companies. As a result of competitive conditions in food products businesses, producers of food products may not be able to recoup increases in the cost of raw materials through increases in sales prices for their products, which would adversely affect their profitability. Increases in fertilizer prices due to higher raw material costs could adversely affect the demand for such products.

Agribusiness portfolio companies may be subject to food and feed industry risks.

Agribusiness portfolio companies operating in the food and feed industries face certain risks. These risks include product spoilage or contamination, government regulation of the food and feed industry, such as processing and labeling regulations, shifting customer and consumer preferences and concerns, including concerns regarding trans-fatty acids and genetically- modified organisms, as well as other environmental concerns, and potential product liability claims. These matters could adversely affect the business and operating results of the Manager's investment in portfolio companies in these industries. The use of genetically-modified organisms ("GMOs") in food and animal feed has been met with varying acceptance in the different markets in which some of these portfolio companies will operate. In some markets — most significantly, the European Union and Brazil — government regulations limit sales or require labeling of GMO products. A portfolio company may inadvertently deliver products that contain GMOs to customers that request GMO-free products. As a result, such portfolio companies could lose customers, incur liability and damage their reputations. In addition, in certain countries, portfolio companies may be subject to claims or other actions relating to the alleged infringement of intellectual property rights associated with the handling of genetically modified agricultural commodities, which could result in increased costs.

In addition, certain products made by the portfolio companies that the Manager may invest in may be used as, or as ingredients in, livestock and poultry feed, and as such, those portfolio companies will be subject to demand risks associated with the outbreak of disease in livestock and poultry, including, but not limited to, avian influenza. The outbreak of disease could adversely affect demand for products used in livestock and poultry feed. A decrease in demand for these products could adversely affect the revenues and operating results of these portfolio companies.

Agribusiness portfolio companies may face intense competition.

Portfolio Agribusiness companies have numerous competitors, some of which may be larger and have greater financial resources than a particular portfolio company may have. For example, Green Agribusinesses and Agribusinesses operate in markets which are highly price competitive and are sensitive to product substitution. These portfolio companies compete against large multinational, regional and national suppliers, processors and distributors and farm cooperatives. Competition is based on price, product and service offerings and geographic location. Agribusiness companies, such as fertilizer producers, also operate in a highly competitive environment. Competition among these companies is based largely on price, quality and service, including customer financing. The relative cost and availability of raw materials and the efficiency of production facilities and logistics are also important competitive factors.

Agribusinesses which produce food products also face intense competition. The markets for food products are highly competitive, and the portfolio companies the Manager may invest in may compete with widely advertised, well-known, branded products, as well as private label and customized products. In addition to price, competition is generally based on product quality, new product introductions, composition and



nutritional value, advertising and promotion. To compete effectively in these businesses, such portfolio companies will need to establish and maintain favorable brand recognition, efficiently manage distribution, gain sufficient market share, develop products sought by consumers and other customers, implement appropriate pricing, provide marketing support and obtain access to retail outlets and sufficient shelf space for their retail products. Competition could cause these portfolio companies to lose market share, exit certain lines of business, increase expenditures or reduce pricing, each of which could have an adverse effect on their revenues and profitability.

Risks related to the Renewable Energy Industry

The nature of investments in the energy industry is subject to a variety of risks.

Investing in power facilities and related assets is subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, regulatory, political and financial risks. There can be no assurance that the Funds' investments will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

The operation of power facilities and certain other types of energy-related infrastructure or facilities involves many risks, including higher than anticipated operating and maintenance costs, loss of sale and supply contracts or fuel contracts, bankruptcy of key customers or suppliers, the breakdown or failure of pipelines, transmission lines, power generation equipment or other equipment or processes and performance below expected levels of output or efficiency. Although each project typically contains certain redundancies and back-up mechanisms and insurance is generally maintained to protect against the effects of certain operating risks, such redundancies and back-up mechanisms may not cover every operating contingency, and the proceeds of such insurance may not be adequate to cover lost revenues or increased expenses. Actual cash flow generating ability of the Funds' Portfolio Investments will be influenced by (among other things) (i) the technology employed in the power generation plants or other assets; demand/pricing considerations; (iii) changes in regulations and subsidy regimes affecting the power industry; (iv) competition from other power generation plants that may have lower production costs and operating and maintenance costs; and (v) fluctuations in fuel prices.

Risks associated with the renewable energy industry.

The market for renewable and clean energy products is emerging and rapidly evolving. If renewable and clean energy technologies prove unsuitable for widespread commercial deployment or if demand for renewable and clean energy products fails to develop sufficiently, the Funds' Portfolio Investments may be unable to generate enough revenue to achieve or sustain profitability. In addition, demand for renewable and clean energy products in the markets and geographic regions that the Funds target may not develop or may develop more slowly than anticipated. Many factors will influence the widespread adoption of renewable and clean energy technology and demand for renewable and clean energy products, including the cost- effectiveness, performance and reliability of renewable and clean energy technology, the availability of government incentives, and the price of conventional energy sources, which can be extremely volatile. Furthermore, the renewable industry is relatively new, so it may be difficult to find suitable investments that meet the investment stage and strategy that the Funds intend to focus on. In addition, the Funds' Portfolio Investments face risk of competition from other alternative energy sources, risk of changes



in consumer needs and preferences, and risk that the company may not be able to use its technology due to licensing or patent claims, or other failures.

Uncertain economic and political environment for renewable and clean energy projects.

Renewable and clean energy projects currently enjoy support from national, state and local governments and regulatory agencies designed to help finance the development of renewable and clean energy, such as the federal production and investment tax credits, various renewable and clean energy portfolio standard requirements enacted by several states, renewable and clean energy credits and state-level utility programs, such as system benefits charge and customer choice programs. Some of the Funds' Portfolio Investments may rely in part on incentive programs to generate target returns. Any reduction in or elimination of these programs may have an adverse effect on the industry and the development of renewable and clean energy resources.

Government regulation of the energy industry.

The energy industry is extensively regulated and subject to frequent regulatory change. The adoption of new legislation or changes in existing laws, or new interpretations of existing laws, could have a significant impact on the methods and costs of doing business of one or more portfolio investments. The energy industry is and will continue to be subject to varying degrees of regulation and licensing by federal, state and local regulatory authorities.

Risks related to the Transportation Industry

The Funds' future growth is partly dependent upon consumers' willingness to adopt electric vehicles.

The market for alternative fuel vehicles is relatively new, rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation and industry standards, frequent new vehicle announcements and changing consumer demands and behaviors. Factors that may influence the adoption of alternative fuel vehicles, and specifically electric vehicles, include:

- perceptions about electric vehicle quality, safety, design, performance and cost, especially if adverse events or accidents occur that are linked to the quality or safety of electric vehicles;
- the limited range over which electric vehicles may be driven on a single battery charge;
- the decline of an electric vehicle's range resulting from deterioration over time in the battery's ability to hold a charge;
- concerns about electric grid capacity and reliability, which could derail efforts to promote electric vehicles as a practical solution to vehicles which require gasoline;
- the availability of alternative fuel vehicles, including plug-in hybrid electric vehicles;
- improvements in the fuel economy of the internal combustion engine;
- the availability of service for electric vehicles;
- consumers' desire and ability to purchase an exclusive automobile;



- the environmental consciousness of consumers;
- volatility in the cost of oil and gasoline;
- consumers' perceptions of the dependency of the United States on oil from unstable or hostile countries, and government regulations and economic incentives promoting fuel efficiency and alternate forms of energy;
- access to charging stations, standardization of electric vehicle charging systems and consumers' perceptions about convenience and cost to charge an electric vehicle;
- the availability of tax and other governmental incentives to purchase and operate electric vehicles or future regulation requiring increased use of nonpolluting vehicles;
- perceptions about and the actual cost of alternative fuel; and
- macroeconomic factors.

In addition, recent reports have suggested the potential for extreme temperatures to affect the range or performance of electric vehicles. For example, certain recent reports have suggested that electric vehicles operated in colder temperatures may experience a reduced overall range as batteries may lose the ability to hold a charge more rapidly in cold weather. If such reports gain widespread acceptance, the Manager's investments in the renewable transportation industry may be adversely impacted.

The influence of any of the factors described above may cause current or potential customers not to purchase electric vehicles, which may negatively impact the Manager's investment in such businesses.

Developments in alternative technologies or improvements in the internal combustion engine may materially adversely affect the demand for electric vehicles.

Significant developments in alternative technologies, such as advanced diesel, ethanol, fuel cells or compressed natural gas, improvements in the fuel economy of the internal combustion engine, or improvements in other forms of batteries may materially and adversely affect the development and introduction of new and enhanced electric vehicles, which could result in the loss of competitiveness of such vehicles, decreased revenue and a loss of market share to competitors. Developments in alternative technologies may reduce demand for electric vehicles and for CNT batteries, which may result in a decline in demand for such products which could adversely affect the Fund's performance, where the Fund has chosen to invest in portfolio companies whose business is affected by such developments.

Risks Related to the Interests

The Limited Partners lack management rights and will have limited control in the operation of the Funds.

The Limited Partners' investment in Interests is passive and as such the Limited Partners will be relying entirely on the Manager and/or the General Partners to conduct and manage the affairs of the Funds. Moreover, the **Governing Documents** will not permit the Limited Partners to engage in the active management of the Funds and Limited Partners will have no opportunity to control the day-to-day operations of the Funds, including investment and disposition decisions.



The General Partners and the Manager make all decisions with respect to the acquisition, management, financing and disposition of the Funds' investments and general policies with respect to certain other activities, including operating policies. Because specific investments of the Funds have not yet been identified, the Limited Partners must rely on the ability of the General Partners and the Manager to make appropriate investments for the Funds and to appropriately manage and dispose of such investments. In addition, the Funds' investments policies and strategies may be changed from time to time at the sole discretion of the applicable General Partners without a vote of the Limited Partners.

The Limited Partners generally vote on all matters on a combined basis and based on capital commitments as set forth in the Governing Documents.

The Limited Partners generally vote on all matters on a combined basis and based on capital commitments as set forth in the **Governing Documents**. Accordingly, action by limited partners in a parallel fund or actions by one or more relatively large investor in any parallel fund could affect the outcome of votes submitted to the Funds. In addition, Interests in the Funds held by permitted partners and employees of Spring Lane Capital shall have the same voting rights as limited partners in the Funds upon such partner or employee's ceasing to be affiliated with Spring Lane Capital.

The Funds may enter into side letters with certain Limited Partners that provide more favorable terms to such Limited Partners over other Limited Partners.

The Funds may from time to time enter into agreements ("**Side Letters**") with certain prospective or existing Limited Partners whereby such Limited Partners may be subject to terms and conditions that are more advantageous than those set forth in the private placement memorandum. The Funds may enter into Side Letters based on, among other things, the size of the Limited Partner's investment in the Funds. The terms and conditions of such Side Letters may provide for: (i) most favored nation rights; (ii) the waiver or reduction of the Management Fee and/or Carried Interest; special rights to make future investments in the Funds; (iv) rights to receive reports from the Funds on a more frequent basis or that include information not provided to other Limited Partners (including, without limitation, more detailed information regarding Portfolio Investments); (v) special consent rights to the amendment of the **Governing Documents** and other offering documents of the Funds; (vi) rights regarding transfers to affiliates; (vii) alternative dispute resolution provisions; and (viii) such other rights as may be negotiated by the Funds and such Limited Partners, with the effect that not all of the Funds' investors will invest on the same terms and some investors may be expected to enjoy more favorable terms than others.

The rights of Limited Partners may be limited by exculpation and indemnification provisions in the Funds' governing documentation.

Certain exculpation provisions contained in the governing documentation may limit the rights of action otherwise available to Limited Partners against the General Partners, the Manager, each of their respective principals, directors, officers, employees and affiliates and certain other persons, including the members of the Advisory Committee (each, an "**Indemnified Person**") absent such limitations. The Funds are responsible for indemnifying each Indemnified Person for any losses or damage incurred by the Funds except for damages that are finally found by a court of competent jurisdiction to have resulted primarily from (i) the intentional misconduct of, or a knowing violation of law by, the person seeking indemnification,



or (ii) in the case of any such Indemnified Person other than a member of the Advisory Committee, the gross negligence of, or material breach of the **Governing Documents** or the investment management agreement by such Indemnified Person. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of these provisions. It should also be noted that the cost of litigation against an Indemnified Person for enforcement of its fiduciary obligations may be prohibitively high and that any judgment obtained may not be collectible since there is no assurance the Indemnified Person has or will have sufficient capital or net worth to satisfy the judgment.

If the Funds are required to indemnify an Indemnified Person, liabilities arising from such indemnification obligations may be material. Any such indemnification obligations would be payable out of the capital commitments and/or distributions previously made to Limited Partners. In general, a Limited Partner may be required to return distributions previously received under certain circumstances. The Funds may seek indemnity proceeds before they seek recovery from other sources, including insurance proceeds.

The Funds are subject to the risk of misconduct of employees of the General Partners and/or the Manager and of third-party service providers.

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years and there is a risk that employee misconduct could occur with respect to the Funds. Misconduct by employees or by third-party service providers could cause significant losses to the Funds. Employee misconduct may include binding the Funds to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third-party service providers. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Funds' business prospects or future activities. It is not always possible to deter misconduct by employees or service providers and the precautions the General Partners takes to detect and prevent this activity may not be effective in all cases.

The General Partners may make in-kind distributions to the Partners.

The Limited Partners should be aware that dispositions may also take the form of in-kind distributions to the Partners. When securities or other assets are distributed to the Limited Partners, such Limited Partners generally would be unable to protect their interests as effectively as the Funds. In certain circumstances provided for in the **Governing Documents**, securities or other assets of the Funds may be distributed that are not marketable or are otherwise illiquid. The risk of loss and delay in liquidating securities or other assets distributed in-kind will be borne by the recipient Limited Partners, with the result that such Limited Partners may receive less cash than was reflected in the fair value of such securities or other assets as determined by the General Partners pursuant to the **Governing Documents**.

Any legal, tax and/or regulatory changes could negatively impact the Funds and their investments.

The Funds are subject to various legal requirements, including those imposed by securities and tax laws. Legal, tax and regulatory changes could occur during the term of the Funds and the legal requirements that



the Funds and the Partners are subject to may change in a manner that may adversely affect the Funds, their portfolio companies or Partners.

The Funds are subject to the risk of litigation.

Litigation can and does occur in the ordinary course of the management of an investment portfolio. The Funds may be engaged in litigation both as a plaintiff and as a defendant. This risk is somewhat greater where the Funds exercise control or significant influence over an investment's direction, including as a result of board participation. Such litigation can arise as a result of an investment's default or bankruptcy and/or other reasons. In certain cases, claims and/or counterclaims may be brought against the Funds, their General Partners, the Manager and/or their respective principals and affiliates alleging risks related to Portfolio Investments.

The Funds' Portfolio Investments are subject to a variety of risks, which could affect the profitability of the Funds.

There is no assurance that the operations of the Funds will be profitable or that cash from operations will be available for distribution to Partners. Because consumable resources, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the investment. The marketability and value of the Portfolio Investments will depend on many factors beyond the control of the Funds, including, without limitation: changes in general economic or local conditions and/or specific industry segments in the target industries; competition from other developments; geographic or market concentration; the ability of the Funds or operating partners to manage the assets; changes in interest rates; the promulgation and enforcement of governmental regulations relating to land use and zoning restrictions, environmental protection and occupational safety; location of the assets; changes in real estate tax rates and other operating expenses; the potential for uninsured or under-insured property losses; energy and supply shortages and surpluses; acts of terrorism; various uninsured or uninsurable risks; and natural disasters.

Market conditions could negatively impact the Funds' business, results of operations and financial condition.

The markets in which the Funds operate are affected by a number of factors that are largely beyond their control, but can nonetheless have a potentially significant, negative impact on the Funds. These factors include, among other things:

- conditions in local, national and foreign markets;
- markets and economies generally;
- interest rates and credit spreads;
- fluctuations in cap rates;
- the availability of credit, including the price, terms and conditions under which it can be obtained;
- the quality, pricing and availability of suitable investments and credit losses with respect to Portfolio Investments;
- the ability to obtain accurate market-based valuations;



- loan values relative to the value of the underlying Portfolio Investments;
- unemployment rates and inflation;
- the attractiveness of other types of investments relative to investments in energy, waste, water, food, and related markets; and
- geopolitical issues

Changes in these factors are difficult to predict, and a change in one factor can affect other factors. The risks associated with the Funds' investments will be more acute during periods of economic slowdown or recession.

Increasing interest rates could negatively impact the results and operations of the Funds' Portfolio Investments.

Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond the Funds' control. Increasing interest rates would negatively impact the net income of the Funds' Portfolio Investments because increases in the general level of interest rates will result in higher borrowing costs for each Fund's Portfolio Investments.

To the extent a Portfolio Investment enters into variable rate loan agreements, when interest rates increase, so will its interest costs, which could adversely affect its cash flow, ability to pay principal and interest on its debt, the cost of refinancing its debt when it becomes due and its ability to make or sustain distributions to its owners, including the Funds. An increase in interest rates could decrease the amount buyers may be willing to pay for a property, thereby reducing the market value of the Funds' Portfolio Investments and limiting the Funds' ability to sell Portfolio Investments or to obtain financing secured by its Portfolio Investments. Further, increased interest rates may effectively increase the cost of Portfolio Investments the Funds acquire to the extent the Funds utilize leverage for those acquisitions and may result in a reduction in the Funds' acquisitions to the extent the Funds reduces the amount they offer to pay for Portfolio Investments, due to the effect of increased interest rates, to a price that sellers may not accept.

The Manager's due diligence of investment opportunities or other transactions may not identify all pertinent risks, which could materially affect the Funds' business, financial condition and results of operations.

The Manager intends to conduct due diligence with respect to each investment opportunity or other transaction it pursues. It is possible, however, that the Manager's due diligence process will not uncover all relevant facts, particularly with respect to any assets the Funds acquires from third parties. In such cases, the Manager may be given limited access to information about the investment and will rely on information provided by the target of the investment. In addition, if investment opportunities are scarce, the process for selecting bidders is competitive or the timeframe in which the Funds are required to complete diligence is short, the Funds' ability to conduct a due diligence investigation may be limited, and it would be required to make investment decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, investments and other transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors. Investment analyses by the General Partners may frequently be required to be undertaken on an expedited basis and thus may be limited.



Investment analyses by the General Partners may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the General Partners at the time of making an investment recommendation may be limited, and the General Partners may not have access to detailed information regarding the investment property, such as physical characteristics, environmental matters, zoning regulations or other local conditions that may affect an investment property. The General Partners may also not have access to all available information to fully determine the origination, credit appraisal, and underwriting practices utilized with respect to Portfolio Investments or the manner in which the Portfolio Investments have been serviced and/or operated. In addition, the General Partners expect to rely upon independent consultants in connection with its evaluation of proposed investment properties, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or to the Funds' right of recourse against them in the event errors or omissions do occur.

The Funds' day-to-day operations is mostly reliant on the Funds' management.

The Funds may seek appropriate management rights, including board representation or other management rights, in connection with SPVs. However, there is no assurance that these rights, if sought, will be obtained. Furthermore, even in cases where the Funds may have certain rights to be represented on the board of directors (or the equivalent governing body) of SPVs, or to participate in certain significant business decisions or have other management rights, the Funds do not expect to have an active role in the day-to-day operations of those investments. The success or failure of the investments will depend to a significant extent on the specific management team of the relevant SPV. In addition, the Funds may co-invest with non-affiliated co-investors whose ability to influence the day-to-day management and affairs of the investments may be significant and even greater than that of the Funds.

The Funds may be subject to contingent liabilities for which the Funds may establish reserves or escrow accounts to fund.

In connection with the disposition from time-to-time of any of the Portfolio Investments, the Funds may be required to make representations about such disposed Portfolio Investment. The Funds also may be required to indemnify the purchasers of such disposed Portfolio Investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Funds may establish reserves or escrow accounts. In that regard, Partners may be required to return amounts distributed to them to fund, Fund obligations, including indemnity obligations, before or after the termination and dissolution of the Funds.

The Funds may hold non-control investments and/or investments with third parties in joint ventures and other entities.

The Funds may hold non-controlling interests in certain Portfolio Investments or, similarly, may co-invest with third parties through partnerships, joint ventures or other entities and thereby acquire non-controlling interests in certain Portfolio Investments. In the case of certain such Portfolio Investments in portfolio companies, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. In a co-investment situation,



such investments may involve risks not present in Portfolio Investments where a third-party is not involved, including the possibility that a third-party partner or co-venturer may have financial difficulties resulting in a negative impact on such Portfolio Investment, may have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take action contrary to the Funds' investment objectives. In addition, the Funds may in certain circumstances be liable for the actions of its third-party partners or co-venturers. Portfolio Investments made with third parties in joint ventures or other entities may involve carried interests and/or other fees payable to such third-party partners or co-venturers.

The Funds are highly dependent upon its operating partners.

The Funds are dependent on their operating partners for the day-to-day management of their Portfolio Investments. The Funds' operating partners have significant discretion as to the implementation of the business plan related to the Portfolio Investment. Accordingly, the Funds believe that the success of each Portfolio Investment, and by extension their own success, will depend to a significant extent upon the efforts, experiences, diligence, skill and financial and managerial expertise of their operating partners and their executive officers and key personnel. The executive officers and key personnel of the Funds' operating partners will evaluate and monitor the Funds' Portfolio Investments and their success will be dependent on their continued service. The departure of any of the executive officers or key personnel of the Funds' operating partners could have a material adverse effect on the performance of any particular Portfolio Investment, and by extension, the Funds. Although the Funds' operating partners will commit a significant amount of their efforts to the Funds' businesses and the success of their Portfolio Investments, the operating partners manage investments for themselves, their affiliates and/or other investors, and none of the Funds' operating partners or any of their respective personnel are required to (or will) devote all of their time to the management of a Portfolio Investment or the Funds' affairs. As a result, the Funds are subject to a risk.

There are certain risks that may occur as a result of Labor shortages.

The current elevated economic growth cycle propelled by unprecedented federal stimulus, coupled with people voluntarily leaving the workforce, has created the most challenging labor market businesses have faced in decades and has made it more challenging to attract and retain key executives at portfolio companies and investment professionals.

There may be scenarios where the Funds' project and corporate investments in a given platform may conflict.

Instances may arise where the Manager may protect its investment in a project over its investment in a portfolio company. In such cases, the Funds may suffer a partial or total loss of capital invested in that investment.

A substantial portion of the Funds' Portfolio Investments are expected to be illiquid, and this lack of liquidity could significantly impede its ability to realize the value at which such Portfolio Investments are carried if it is required to dispose of them.

It is expected that a substantial portion of the Funds' Portfolio Investments will consist of assets which are illiquid, or for which there currently is no well-developed secondary market. While substantial portions of any Portfolio Investment are anticipated to be sold from time to time, in order to dispose of certain Portfolio



Investments prior to the expiration of the term of the Funds, certain portions of a Portfolio Investment may be sold prior to the time which would optimize the returns to investors. Liquidity relates to the ability of the owner to dispose of assets readily and the price to be paid for them. In addition, less marketable or illiquid assets may be more difficult to value due to the unavailability of reliable market quotations. The sale of less marketable assets may require more time and result in lower prices, due to higher brokerage charges or dealer discounts and other selling expenses, than the sale of more marketable assets. There can be no assurances that the Funds will be able to sell any investment (or any portion thereof) at the time that it may be in the best interests of the Funds to sell.

The Funds' Portfolio Investments may be concentrated in terms of number of investments and credit risk.

As a general policy, the Funds seeks to acquire and hold a diverse portfolio of assets according to the specific diversification criteria as set forth in the investment guidelines adopted by the Manager. Also, a limited number of Portfolio Investments may represent a significant percentage of the Funds' portfolio. If the Funds' portfolio is concentrated in small number of Portfolio Investments or limited geographical areas and such investments experience a loss, the value of the Funds' Interests could be negatively impacted.

In addition, the Funds' Portfolio Investments may be concentrated in certain property types that are subject to higher risk of foreclosure. Given that the Funds' Portfolio Investments are concentrated in a specific region, downturns relating generally to such region may result in defaults on a number of the Funds' Portfolio Investments within a short time period, which may reduce the Funds' net income and their ability to distribute proceeds to their Partners. The Portfolio Investments may contain other concentrations of risk, and the Funds may fail to identify or detect those risks, resulting in large or unexpected losses.

Insurance on the assets servicing as collateral for the Funds' Portfolio Investments may not cover all losses.

There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or not economically insurable. Inflation, changes in regulation, environmental considerations, and other factors, including terrorism or acts of war, also might make the insurance proceeds insufficient to repair or replace a property if it is damaged or destroyed, which in turn could negatively affect the value of the Funds' interests. As a result of the events of September 11, 2001, insurance companies have limited or excluded coverage for acts of terrorism in insurance policies. As a result, the Funds may suffer losses if assets serving as collateral for their Portfolio Investments are harmed by acts of terrorism that are not covered by insurance.

There is a risk that the Funds may only make a limited number of investments.

Since the Funds may make only a limited number of investments and since the Funds' investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the Partners. In the event an investment fails to meet projections, the Funds may suffer a partial or total loss of capital invested in that investment.



The Funds may be subject to currency fluctuations which may affect the value of the Funds' portfolio.

The Funds will be US dollar denominated, including for purposes of all capital commitments, contributions and distributions. Fluctuations between the US dollar and the relevant local currencies of Limited Partners and the Funds' investments (if outside the US) may directly or indirectly affect the value of the Funds' portfolio and the ultimate rate of return realized by Limited Partners.

The Funds may be subject to inflation and volatile asset valuation which may affect the value of the Funds' portfolio.

Persistent and elevated rates of inflation have pushed the monetary authorities to end Covid-19-related measures in a step towards more normal monetary policy which will lead to increased interest rates and remove a key economic tailwind. While the prospect of these steps has put significant pressure on asset valuation, the largely supply chain driven inflationary environment could prove more persistent and create additional economic uncertainty.

The duration of investments may last longer than the term of the Funds

The Funds may make investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date by which the Funds are required to be dissolved, either by expiration of the Funds' term or otherwise. The Funds may be required to sell, distribute in kind or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read the relevant offering documents in their entirety and consult with their own advisors before deciding to invest in the Funds.

Item 9: Disciplinary Information

Not Applicable. Spring Lane Capital and its supervised persons have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Not Applicable. Spring Lane Capital is currently not applying to register as a broker-dealer and does not intend to. No management persons of Spring Lane Capital are registered representatives of a broker-dealer and have no intention of becoming registered representatives.

Item 10.B.

Not Applicable at this time. Neither Spring Lane Capital, nor any of its management persons, is applying to register with the National Futures Association.



Item 10.C.

The General Partner of the Funds, a related person of Spring Lane Capital, serves as each Fund's general partner. This relationship creates an incentive for Spring Lane Capital to make investment allocations that are riskier or more speculative than would be the case if the general partner did not receive incentive compensation from the Funds for serving as the general partner to the Funds. The Manager always acts in the best interest of its Funds and in accordance with the Funds' investment objectives and has a robust compliance program in place to generally deal with conflicts of interest that come up from time to time on an objective basis.

Relying Adviser. Both SLM and the Relying Adviser providing investment advisory services to the Spring Lane Capital Funds. While SLM and the Relying Adviser have been organized as separate legal entities, they collectively conduct a single investment advisory business. Accordingly, the Relying Adviser relies and/or will rely on SLM's investment adviser registration instead of separately registering as an investment adviser with the SEC under the Advisers Act. To rely on SLM's registration, (i) the Relying Adviser, its employees and persons acting on its behalf will be "persons associated with" and "supervised persons" (as each term is defined in the Advisers Act) of SLM, (ii) any investment advisory services will be subject to SLM's supervision and control, (iii) any investment advisory functions will be subject to the Advisers Act and the rules and regulations thereunder, and (iv) the activities and books and records of the Relying Adviser will be subject to inspection and examination by the SEC. The Relying Adviser will be subject to SLM's compliance policies and procedures and, except as the context otherwise requires, any reference in this brochure to Spring Lane Capital includes both SLM and the Relying Advisers.

Item 10.D.

Not Applicable. Spring Lane Capital and its supervised persons do not recommend or receive compensation for selection of other investment advisers for its clients.

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

Item 11.A.

Employees of Spring Lane Capital may only purchase and sell securities in accordance with the Manager's Code of Ethics to which all employees are subject. This policy is monitored by the Chief Compliance Officer.

Employees are permitted to maintain personal brokerage accounts, subject to the Code of Ethics and personal trading policy.

The Code of Ethics includes the following points:

- A statement of the standard of business conduct.
- Limits on gifts and entertainment.
- Limits on political contributions.



- Employees are prohibited from purchasing or selling, directly or indirectly, any existing or contemplated securities for the Funds' investment portfolio, or any security for which the Employee may have received material non-public information.
- All employees are required to pre-clear certain purchases or sales of securities through the Chief Compliance Officer for personal accounts.
- Additionally, employees are subject to strict reporting requirements regarding personal holdings.
- Employees must acknowledge in writing having received and read a copy of the Code of Ethics.
- Any exceptions to the above need prior approval of the Chief Compliance Officer.

A copy of the Manager's Code of Ethics is available to investors and prospective investors upon request.

Item 11.B through Item 11.D.

Spring Lane Capital, as a fiduciary, endeavors to always make decisions in the best interest of the Funds if a conflict of interest arises.

Item 12: Brokerage Practices

Spring Lane Capital currently does not engage in trading transactions on behalf of its clients or utilize the services of broker-dealers for transaction related services. In the event it requires the services of a broker-dealer, Spring Lane Capital will seek to obtain best execution for all transactions. To the extent they aggregate orders for purchase and sale, the Manager will aggregate such orders as it deems appropriate and in accordance with the Funds' organizational documents and in the best interests of the Funds.

Spring Lane Capital may face actual or potential conflicts of interest when allocating investment opportunities among the Funds. The general policy of Spring Lane Capital is to allocate investment opportunities among the applicable Funds in a fair and equitable manner and in accordance with the terms of its policies and the applicable Governing Documents for the Funds.

Spring Lane Capital does not currently engage in the use of soft dollars.

Item 13: Review of Accounts

Item 13.A. and 13.B.

Spring Lane Capital has established an "**Investment Committee**" comprised of a team of investment professionals responsible for reviewing the investments in the Funds on an ongoing basis to confirm that each portfolio is in line with, as applicable: investment criteria specified in private placement memoranda; objectives, limitations or restrictions specified in agreement with the Funds; risk parameters and other Manager specified limits; and other guidelines or restrictions. The team generally includes Christian Zabbal, Nikhil Garg, Rob Day and other investment professionals of Spring Lane Capital. The Manager actively monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies.



Item 13.C.

Investors in the Funds will typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund. In addition, investors in each Fund will typically receive written reports containing unaudited summary financial information regarding such Fund quarterly.

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

Not Applicable. Spring Lane Capital does not select or recommend broker-dealers for client transactions.

Item 14.B.

Spring Lane Capital may enter into agreements with certain placement agents that provide for compensation to be paid to the placement agent for referring investors to the Funds.

First Avenue, LLP (“**First Avenue**”) has been engaged by Spring Lane Capital as a placement agent with respect to the private placement of interests in Fund II. For these services, Spring Lane Capital has agreed to pay First Avenue a market based fee that comprises a success fee that is calculated based on a fixed percentage of the capital that is raised by First Avenue. All such fees have been and will be borne by Spring Lane Capital; no deduction will be made from an investor’s subscription amount with respect to such fees.

Item 15: Custody

The assets of the Funds will be held at an unaffiliated qualified custodian, as required by the rules adopted under the Investment Advisers Act of 1940, as amended. We provide Fund investors with the Funds’ annual audited financial statements prepared by an independent public accountant and investors in the Funds receive the reports from Spring Lane Capital described in Item 13 of this brochure.

Item 16: Investment Discretion

Spring Lane Capital has full discretion to manage the Funds. This authority is granted pursuant to an Investment Management Agreement (“**IMA**”) between Spring Lane Capital and the Funds. Individual investors grant authority to the Funds to enter into an IMA with Spring Lane Capital by signing a subscription agreement.

Item 17: Voting Client Securities

Spring Lane Capital has voting authority due to the fact that it has discretionary authority over the securities held by its clients. Accordingly, although it is unlikely that Spring Lane Capital will receive proxies based on its current and anticipated investments, the Firm understands its fiduciary responsibility to monitor corporate events, to vote proxies and cast votes in the best economic interests of its clients, and to not put client interests second to its own economic interests.



Spring Lane Capital has adopted the proxy voting policies and procedures set forth in its Compliance Manual. Under our proxy voting policy, Spring Lane Capital will generally vote proxies in accordance with the recommendation of the issuing company's management on routine and administrative matters unless Spring Lane Capital has a particular reason to vote to the contrary. Non-routine matters will be voted on a case-by-case basis in a manner that serves the clients' best interest. Under certain circumstances, we may abstain from voting specific proxies if we believe that doing so is in the best interests of our clients. Furthermore, under our proxy voting policy, we may not vote proxies issued by companies if our clients no longer have any economic exposure to the issuer.

Item 18: Financial Information

Not Applicable. Spring Lane Capital does not require or solicit prepayment of more than \$1,200 in fees, six months or more in advance. In addition, Spring Lane Capital has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

