

**PART 2A OF FORM ADV  
INVESTMENT ADVISER BROCHURE**

**SUMMIT PARTNERS PUBLIC ASSET MANAGEMENT, LLC**

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**July 24, 2017**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Summit Partners Public Asset Management, LLC (“SPPAM”). If you have any questions about the contents of this Brochure, please contact us at (617) 824-1000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

Summit Partners Public Asset Management, LLC is an investment adviser that will be registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Summit Partners Public Asset Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Material Changes**

Summit Partners Public Asset Management, LLC filed its most recent Form ADV Part 2A on March 31, 2017. This other-than annual amendment updates the description of rebalancing transactions for funds in a parallel fund structure to include commissions generated.

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## **Summit Partners Public Asset Management, LLC Brochure**

### **Section 1. Advisory Business**

Summit Partners Public Asset Management, LLC (“**SPPAM**” or the “**Investment Manager**”), the registered investment adviser, is a Delaware limited liability company. SPPAM and its affiliate, Summit Partners Alydar GP, L.P. (the “**General Partner**”), provide “investment supervisory services” to their clients, which currently consist of investment funds privately offered to qualified investors in the United States and elsewhere. SPPAM’s current clients include the following (collectively the “**Funds**”, and together with any future private pooled investment funds to which SPPAM or its affiliates provide investment advisory services, “**Private Investment Funds**”):

#### **“Onshore Funds”**

- Summit Partners Concentrated Growth L/S Fund, L.P.
- Summit Partners Concentrated Growth L/S QP Fund, L.P.
- Summit Partners Sustainable Opportunities L/S Fund, L.P.
- Summit Partners Sustainable Opportunities L/S QP Fund, L.P.

#### **“Offshore Funds”**

- Summit Partners Concentrated Growth L/S Fund Limited
- Summit Partners Sustainable Opportunities L/S Fund Limited

SPPAM was formed in January 2015 and commenced operations in March 2015.

The General Partner is the general partner of the Onshore Funds (as provided above) and will have the authority to make investment decisions for those Funds. The day-to-day investment advisory services for the Funds have been delegated to SPPAM. The General Partner is subject to the Advisers Act pursuant to SPPAM’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operates as a single advisory business together with SPPAM.

References contained in this Brochure to the strategy and operations of the General Partner should be read to include the activities of SPPAM and other SPPAM affiliates that collectively engage in the investment process and ongoing management of the Funds’ investments.

SPPAM also may provide investment supervisory services to separately managed account clients (including related single investor vehicles) (“**SMA Clients**”). The Funds and any other Private Investment Funds or SMA Clients (collectively, “**SPPAM Clients**”) that may be advised by SPPAM (or its affiliates) at a later date or that may otherwise become clients of SPPAM are expected to focus on capital appreciation primarily through investments in publicly traded equity securities and other publicly traded equity related instruments, while retaining flexibility to invest across a wide variety of industries and investment types, though some SPPAM Clients investments may be specialized or focused on particular industries. SPPAM’s investment advisory services to SPPAM Clients consist of identifying and evaluating investment opportunities, managing and monitoring investments, managing portfolio risk, and achieving dispositions of investments.

SPPAM's advisory services for the Funds are further described in the Funds' respective private placement memoranda or other offering memoranda, as amended and/or supplemented from time to time ("**private placement memoranda**"), and limited partnership agreements or other governing documents (each, a "**Fund Agreement**"), as well as below under "Methods of Analysis, Investment Strategies and Risk of Loss" and "Investment Discretion." Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints or for other agreed upon reasons pursuant to the relevant Fund Agreement. The Funds or SPPAM may enter into side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing, altering or supplementing the terms of a particular Fund Agreement with respect to such investors.

SPPAM's advisory services for SMA Clients will be set forth in the investment advisory agreement or other agreement (each, an "**SMA**") with respect to each SMA Client.

As of December 31, 2016, SPPAM managed approximately \$523,187,948 in assets on a discretionary basis, including proprietary assets. As of December 31, 2016, SPPAM managed approximately \$17,057,881 million in assets on a non-discretionary basis. On March 31, 2015 each Fund's previous investment manager, Alydar Partners, LLC, and, where applicable, the general partner of certain Funds, entered into a transaction with SPPAM and the General Partner.

SPPAM is principally owned and controlled by Summit Partners, L.P. ("**Summit Partners**"), with Summit Partners controlled by its manager, Summit Master Company LLC. Summit Partners is a separately registered investment adviser that provides investment advisory services to private investment-related funds that focus on privately placed equity and debt investments.

## **Section 2.      Fees and Compensation**

The following is a general description of fees, compensation and expenses of the Funds. Differences exist from Fund to Fund and certain Funds may not charge certain fees, compensation or expenses that other Funds charge. The Fund Agreements describe fees, compensation and expenses in greater detail.

In general, SPPAM receives a management fee and performance fee in connection with investment advisory services they provide to the Funds.

The Funds pay SPPAM a management fee that ranges between 1.25% and 1.5% per annum. In addition, investors that hold interests in certain Funds through an account at a financial institution that has a selling agreement with that Fund may pay a lower management fee to the Fund (see "Client Referrals and Other Compensation" below). The management fee is payable in advance on the first business day of each fiscal quarter and is based on the net assets under management as of the first business day of such fiscal quarter. In addition, each Fund pays an annual performance fee equal to 15-20% of incremental profits, subject to a "high water mark," as further described in the respective Fund Agreements. Certain of the Fund Agreements permit SPPAM or the General Partner, in its sole discretion, to waive, or agree to, a reduction of amounts of the management or performance fee with respect to one or more investors, including employees of SPPAM.

Management fees are deducted or allocated from an investor's capital account(s) of the applicable Fund. Investors may redeem from the Funds with 30 days' notice prior to the end of a fiscal quarter. Under the Fund Agreements, SPPAM, the General Partner or, with respect to the Offshore Funds, the Board, in its sole discretion, has the ability to change redemption fees without investor approval.

In addition to the management and performance fees discussed above, each Fund is responsible for paying certain other expenses, including legal, accounting and audit expenses, investment expenses, all other expenses related to the purchase, sale, or transmittal of Fund assets and liabilities including, without limitation, brokerage commissions, custodial fees, interest on margin accounts, borrowing charges for securities sold short and short sale dividends, and all expenses associated with the Fund Administrator and related regulatory filings, including Form PF. Fund expenses may be reduced through the use of “soft” or commission dollars. The Funds, similar to other private pooled investment funds, likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products such as mutual funds.

Subject to each Fund Agreement, the Investment Manager (together with the General Partner and any applicable affiliates) will generally bear all expenses associated with rendering investment advisory services, including the salaries of its employees, all general overhead expenses and other expenses incident to the rendering of such services.

If any expenses are incurred jointly for the accounts of the Funds and any other trading accounts managed by the Investment Manager or its affiliates, such expenses generally will be allocated among the Funds and such other accounts in proportion to the beginning total assets of each Fund in which the expense relates in the month the expense is paid, or in such other manner as the Investment Manager considers fair and reasonable.

It is expected that any similar future Private Investment Funds will have a similar fee structure. The fees, compensation and expenses relating to any SMA Client will be described in the relevant SMA, which generally will be negotiated between such SMA Client and SPPAM.

Brokerage fees may be incurred by the applicable SPPAM Client in accordance with the general practices set forth in Section 9 below.

### **Section 3.      Performance-Based Fees and Side-By-Side Management**

As discussed under Section 2 (“Fees and Compensation”) above, SPPAM or its affiliates are entitled to receive performance based compensation from SPPAM Clients.

A performance-based allocation represents an asset manager’s compensation based on a percentage of net profits relating to assets managed by such asset manager, and is generally subject to a “high water mark.” The net profits on which the performance-based allocation is calculated includes unrealized appreciation and depreciation of investments that may not ultimately be realized. SPPAM and its affiliates, in their sole discretion, generally have the authority to waive all or a portion of management and performance fees with respect to one or more investors, including employees of SPPAM.

The payment by SPPAM Clients of a performance allocation may create an incentive for SPPAM to make more speculative investments on behalf of a SPPAM Client than it would otherwise make in the absence of such arrangement and to disproportionately allocate time, services or functions to clients paying performance allocation at a higher rate, or allocate investment opportunities to such clients.

### **Section 4.      Types of Clients**

SPPAM currently provides investment advice to Private Investment Funds, including the Funds. Private Investment Funds are investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The investors participating in Private Investment Funds may include

individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Summit Partners and its affiliates, including SPPAM.

The Funds generally have a minimum investment in the range of \$1 million for third-party investors, unless an investor is subscribing through a financial institution that has an agreement with the Fund. The minimum capital contribution is \$100,000 for investors subscribing to the Summit Partners Sustainable Opportunities L/S QP Fund, L.P. and Summit Partners Sustainable Opportunities L/S Fund Limited through a financial institution that has an agreement with such Fund. Further, the minimum investment requirements may be waived by the General Partner for the Onshore Funds and the Board for the Offshore Funds. Generally, investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act.

SPPAM also may provide investment supervisory services to SMA Clients and non-discretionary services to certain financial institutions. While SPPAM does not currently impose a minimum investment amount for establishing a separately managed account, it generally will seek to establish separately managed accounts with a minimum balance of \$25M, although SPPAM, in its sole discretion, may waive any initial minimum investment amount.

## **Section 5. Methods of Analysis, Investment Strategies and Risk of Loss**

### **General**

Subject to the specific investment guidelines and restrictions set forth in each Private Investment Funds’ private placement memorandum or each other client’s SMA, the principal investment strategy of SPPAM is to achieve capital appreciation primarily through investments in equity securities and other equity related instruments. SPPAM generally attempts to manage risk and produce positive returns in varied market environments.

*The following is a summary of the investment strategies and methods of analysis generally employed by SPPAM on behalf of SPPAM Clients and a summary of certain risks involved with SPPAM’s investment strategy. More detailed descriptions of the investment strategies and methods of analysis and risks applicable to each SPPAM Client are included in the private placement memorandum for each Fund or the SMA for each SMA Client, as applicable. There can be no assurance that SPPAM will achieve the investment objectives of each SPPAM Client, and a loss of investment is possible.*

SPPAM seeks to provide returns to investors by employing a systematic approach to investment selection. At the core of this approach, is fundamental, research-intensive work on companies, which often includes direct contact with senior management.

SPPAM utilizes a screening process to aid in identifying investment ideas. Investment personnel scrutinize company financial statements to identify changes in revenue growth, margins, cash flow, balance sheet items and other relevant metrics. While SPPAM looks for companies that have the ability to beat consensus earnings estimates, other attributable factors will also be considered. In addition, investment personnel focus on companies that have high return on investment or, for short selling opportunities, for companies that demonstrate decelerating revenue growth, deteriorating margins, and the possibility of not achieving consensus earnings estimates. In all cases, investment personnel pay close attention to valuation and, in particular, to where stocks trade relative to the company’s determination of appropriate value. Fund portfolios are constructed within a certain framework. Attention is paid to position sizing, price discipline

on entering and exiting positions, limiting sector exposures, balancing longs and shorts and maintaining appropriate market capitalization match. SPPAM also employs an investment team to help identify opportunistic points of entry and exit in securities where SPPAM has fundamental conviction.

### **Types of Investments**

SPPAM focuses on buying stock of companies that demonstrate rapid earnings growth and short selling stock of companies that demonstrate earnings deterioration. SPPAM Clients invest only in securities that are listed on a national securities exchange or quoted on a national quotation system, with the exception of OTC positions. Notwithstanding the foregoing, SPPAM Clients may also invest in OTC and centrally-cleared swap transactions.

SPPAM Clients may invest in derivative instruments, such as options, futures (with an emphasis on financial futures and subject to regulatory requirements), forward contracts and swaps, which may be used to attempt to hedge existing long and short positions, as well as for independent profit opportunities.

SPPAM Clients may from time to time invest in corporate debt instruments when SPPAM deems the risk/reward is better than that of the underlying equity. Debt instruments can provide, in certain instances, returns with less volatility than equities. The primary focus of SPPAM Clients is U.S. securities, but SPPAM Clients may invest in foreign securities.

SPPAM Clients may also invest in exchange traded funds, but will not otherwise invest in pooled investment vehicles. If SPPAM clients invest in exchange traded funds, they will incur management fees and expenses that are charged by the exchange traded funds.

Additionally, the Funds may from time to time lend portfolio securities to its prime brokers, provided that cash or securities collateral, at least equal to the market value of the loaned securities, is continuously maintained by the borrower. Per the terms of the prime brokerage agreements, if the Funds' cash balances with its prime brokers meet certain pre-determined thresholds, each prime broker at its discretion may borrow the Funds' long positions and lend to banks or brokerage firms, and other institutional investors judged creditworthy by the prime broker.

SPPAM Clients, however, are not limited with respect to the types of investment strategies they may employ or the markets or instruments in which they may invest, though a SPPAM Client may favor strategies or markets or instruments as set forth in the applicable private placement memorandum or SMA.

### **Risks of Investment**

A Fund and its investors, and investors in separately managed accounts, bear the risk of loss that the Investment Manager's investment strategy entails. The risks involved with the Investment Manager's investment strategy and an investment in a Fund are detailed in each Fund's private placement memorandum. The risks involved with the Investment Manager's investment strategy and an investment in separately managed account are described in each SMA. In general, the risks with respect to a particular SPPAM Client and its Investment Manager include, but are not limited to the following:

*Business Dependent upon Key Individuals.* Investors have no authority to make decisions or to exercise business discretion. The authority for all such decisions is delegated to the Investment Manager. The success of the portfolio is significantly dependent upon the expertise of the Investment Manager.

*Limited Liquidity.* An investment in a Private Investment Fund should be viewed as an illiquid investment. Interests in a Private Investment Fund are not freely transferable, and investors generally may redeem their



interests in the Private Investment Fund only on the last day of a fiscal quarter and may not redeem any or all of its interests in such Private Investment Fund prior to the date occurring at least one year following the date of an investment.

*Financial Market Conditions, Valuation, Resultant Actions of Directors and Liquidity Risk.* Recent events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility and a liquidity crisis in the financial markets, both domestic and non-U.S. These difficulties and changed conditions, coupled with other recent challenges affecting the economies of certain countries, may result in reduced demand for the securities and other assets in which SPPAM Clients invest, and may affect the valuations assigned to such securities and assets by another SPPAM Client and other market participants. Further, a SPPAM Client and such other market participants may not always value these investments at the same prices or in the same manner. Such reduced demand and affected valuations may in turn decrease the value of securities and assets held by a SPPAM Client and may prevent such client from liquidating such securities or other assets at any price, or at prices deemed favorable to the client, during certain periods, which periods may be substantial and prolonged and which may include periods during which investors are seeking to redeem substantial amounts from the Funds or from their separately managed accounts. In addition, with respect to the Funds, a decrease in the net asset value of a Fund could lead to a default under some or all of the Fund's credit and loan facilities, as well as the repurchase, reverse repurchase, securities lending, swap and/or similar agreements to which the Fund is a party, and force the Fund to sell its securities or other assets at reduced prices to satisfy its obligations to its lenders and counterparties. These events and possible continuing market turbulence may have an adverse effect on a SPPAM Client's portfolio, may decrease the likelihood that the SPPAM Client will achieve its investment objective, may reduce the ability to precisely value portfolio securities, or may reduce a SPPAM Client's liquidity.

*Concentration in Certain Securities.* SPPAM Clients generally do not have fixed guidelines for diversification and may concentrate investments in particular industries or companies. Increased concentration of securities in a SPPAM Client's portfolio can maximize the adverse impact to such portfolio in the event of a significant decrease in the value of a particular security held by the SPPAM Client. Securities of companies in the same industry may decline in price at the same time due to industry-specific developments because these companies may share common characteristics and are more likely to react similarly to industry-specific market or economic developments.

*Derivative Instruments - Generally.* SPPAM Clients may invest in derivative instruments, which may include futures contracts, options, swaps, structured securities and other instruments and contracts. A derivative is a financial contract whose value depends on, or is derived from, changes in the value of one or more underlying assets, reference rates, indexes or events. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such assets. Investing in derivatives may involve risks different from, or greater than, the risks associated with investing in more traditional investments, such as stocks and bonds. Derivatives can be highly complex, may perform in ways unanticipated by the Investment Manager and may be difficult to value. Derivatives require investment techniques and risk analyses different from those of other instruments. If the Investment Manager incorrectly forecasts the value of securities, currencies, interest rates, or other economic factors in using derivatives, the SPPAM Client might have been in a better position if SPPAM had not entered into the derivatives. Derivatives also involve the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate, index, or overall securities markets.

Because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose SPPAM Clients to the possibility of a loss exceeding the original amount invested. Derivatives may be more volatile than other investments, resulting in larger losses in response to market changes. Derivatives, especially over-the-counter ("OTC")

derivatives, may be difficult to value and highly illiquid, and SPPAM may not be able to close out or sell one or more derivative positions at a particular time or at an anticipated price. Some derivatives may be subject to interest rate or currency risk. Use of derivatives may increase the amount and affect the timing and character of taxes payable by investors, and tax exposure may be difficult to quantify at any given time. Tax liability may depend on the interpretation of treaties and foreign law. Suitable derivative transactions may not be available in all circumstances. There can be no assurance that a SPPAM Client will engage in these transactions to reduce exposure to other risks when that would be beneficial.

SPPAM Clients will likely be required to segregate assets to cover any obligations relating to the purchase of derivative instruments in a manner that satisfies contractual undertakings with respect to the derivatives. SPPAM Clients will set aside liquid assets in an amount equal to such client's daily marked-to-market net obligation (*i.e.*, such client's daily net liability) under futures contracts or forward contracts that are contractually required to cash settle. For futures contracts or forward contracts that are not contractually required to cash settle, SPPAM Clients must set aside liquid assets equal to such contracts' full notional value (generally, the total numerical value of the asset underlying a futures or forward contract at the time of valuation) while the positions are open. By setting aside assets equal to only its net obligations under cash-settled futures and forward contracts, SPPAM Clients may employ leverage to a greater extent than if such clients were required to segregate assets equal to the full notional value of such contracts.

In addition, derivative contracts may expose SPPAM Clients to the credit risk of the parties with which such clients deal. Non-performance of such contracts by counterparties, for financial or other reasons, could expose such clients to losses, whether or not the transaction itself was profitable. Derivatives may also expose SPPAM Clients to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts.

*Forward Foreign Currency Contracts.* SPPAM Clients may enter into contracts for the purchase or sale of a specific foreign currency at a future date at a fixed price ("**forward contracts**"). SPPAM Clients may enter into forward contracts in an attempt to hedge against changes in prevailing currency exchange rates or for investment purposes. Forward contract transactions include forward sales or purchases of foreign currencies for the purpose of protecting the U.S. dollar value of securities held or to be acquired by the SPPAM Client that are denominated in a foreign currency or protecting the U.S. dollar equivalent of dividends, interest, or other payments on those securities. SPPAM Clients may also purchase and sell forward contracts for non-hedging purposes when the Investment Manager anticipates that a foreign currency will appreciate or depreciate in value, but securities in that currency do not present attractive investment opportunities and are not held in the client's investment portfolio. Foreign exchange rates can be extremely volatile and a variance in the degree of volatility of the market or in the direction of the market from the Investment Manager's expectations may produce significant losses to the client. At maturity of a forward contract, a SPPAM Client may either sell the portfolio security and make delivery of the foreign currency, or it may retain the security and terminate its contractual obligation to deliver the foreign currency by purchasing an "offsetting" contract obligating it to purchase, on the same maturity date, the same amount of foreign currency. A forward contract is a type of derivative and is subject to the general risks relating to derivatives described above.

*Structured Notes.* Structured notes are derivative securities for which the amount of principal repayment and/or interest payments is based on the movement of one or more "factors." These factors may include, but are not limited to, currency exchange rates, interest rates (such as the prime lending rate or LIBOR), referenced bonds, stock indices, individual stocks or baskets of stocks or one or more debt instruments or combinations thereof. Some of these factors may or may not correlate to the total rate of return on one or more underlying instruments referenced in such notes. In some cases, the impact of the movements of these factors may increase or decrease through the use of multipliers or deflators. Investments in structured notes involve risks, including interest rate, credit, counterparty and market risks.

*Investment and Trading Risks.* Each investor in a Fund and each SMA Client should be aware that it may lose all or part of its investment. No guarantee or representation is made that any SPPAM investment program will be successful. SPPAM's investment programs may utilize such investment techniques as margin transactions, short sales, leverage, options on securities and futures (to the extent utilized and subject to applicable regulatory requirements), and forward contracts, which practices can, in certain circumstances, maximize the adverse impact to which investors in a Fund and SMA Clients may be subject.

SPPAM attempts to correct errors as soon as practicable after discovery; however, SPPAM's trade error policy requires SPPAM to only reimburse SPPAM Clients for losses resulting from SPPAM's gross negligence, willful misconduct, bad faith or fraud. Although SPPAM's traders endeavor to take the utmost care in implementing investment decisions on behalf of each client, trade errors do occur and could have a material adverse impact on the performance of any SPPAM Client.

In addition, the Funds are managed in a parallel investment structure where multiple funds with the same investment objective and strategy invest and operate substantially proportionately in all transactions based on the net assets of each entity. Similarly, separately managed accounts with the same or similar investment objective and strategy as the Funds may be managed with the same and/or similar strategies as the Funds. Any Funds in a parallel structure and any similarly managed separately managed accounts may be rebalanced at specific periods, and events in-between rebalancing may cause performance to differ. In addition, such Funds and separately managed accounts are expected to have different expenses, which will impact performance.

*Special Risks Associated with the Global Sustainability Market.* Securities of companies in the global sustainability market, such as clean technology companies and related industries, are within an emerging growth sector. Accordingly, variables that may affect stock prices of these entities are difficult to predict. Broadly speaking, these stocks could be affected by variables including, but not limited to, the supply and demand for commodities such as oil and natural gas, global macro-economic growth, political change and political initiatives and subsidies. Varying political subsidies, initiatives and mandates have aided these investments in the past. There is no guarantee such incentives will exist in the future, and there is limited ability to predict when and if such incentives may be removed. Further, macro-economic growth could also affect the global demand for such commodities as natural gas, coal and oil, making the viability of clean technology investments more or less attractive at any given time. Valuation and financial profiles (e.g., lack of profitability and/or use of nontraditional valuation metrics) may also represent special risks.

*Performance Fee Creates Incentive to Make Riskier Investments.* Performance fees or allocations may create an incentive for the Investment Manager to cause its client to make investments that are riskier or more speculative than would be the case if this special allocation was not made. In addition, since performance fees or allocations are calculated on a basis that includes unrealized appreciation of a SPPAM Client's assets, it may be greater than if such fee or allocation were based solely on realized gains.

*Investments in Below Top Tier Market Capitalization Companies Entail Various Risks.* SPPAM may invest a significant portion of SPPAM Client assets in the stocks of companies with below top tier market capitalizations. While SPPAM believes these companies often provide significant potential for appreciation, these stocks involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks. The risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks may be illiquid.

*Investments in Fixed Income Securities Are Vulnerable to Economic Disruptions.* SPPAM may invest SPPAM Client assets in bonds or other fixed income securities, including, without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) debt securities. It is likely that a major economic recession could severely disrupt the market for such securities and may adversely impact the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

*Use of Leverage May Increase Risk of Loss.* SPPAM Clients, when the Investment Manager considers it appropriate, may leverage their investment positions by borrowing funds from securities broker-dealers, banks or others. The governing documents of each SPPAM Client will detail any limits imposed on the amount of leverage (if any) that may be incurred on behalf of such client. From time to time, SPPAM Clients may borrow significant amounts to take advantage of perceived opportunities, such as short-term price disparities between markets or market securities. While leverage presents opportunities for increasing a portfolio’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of a portfolio investment would be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a portfolio’s investments could result in a substantial loss, which would be greater than if the portfolio was not leveraged. Borrowings are typically secured by securities and other assets held by a SPPAM Client. Under certain circumstances, a lender may demand an increase in the collateral that secures a SPPAM Client’s obligations and, if such client was unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy such client’s obligations. Liquidation in that manner could have extremely adverse consequences for such client. In addition, the amount of a SPPAM Client’s borrowings and the interest rates on those borrowings, which fluctuate, may have a significant effect on such client’s profitability.

*Use of Options May Increase Risk of Loss.* SPPAM Clients may buy or sell (write) both equity and index call options and put options, and, when a SPPAM Client writes options, it may do so on a “covered” or an “uncovered” basis. Options transactions may be part of a hedging tactic (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which a SPPAM Client would benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances.

*Forward Trading is Substantially Unregulated.* SPPAM Clients may invest in forward contracts and options thereon, which, unlike futures contracts, are not traded on exchanges and are not standardized. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by a SPPAM Client due to unusually high trading volume, political intervention or other factors. The imposition of controls by government authorities might also limit such forward (and futures) trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a SPPAM Client. Market illiquidity or disruption could result in major losses to SPPAM Clients.

*Short Selling Entails Risk of Theoretically Unlimited Loss.* The investment portfolios of SPPAM Clients may include short positions. Short selling involves selling securities, which may or may not be owned, and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in securities. A short sale

creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the SPPAM Client of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

*Hedging Transactions May Impair Performance.* SPPAM Clients may utilize a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts, both for investment purposes and for risk management purposes. While SPPAM Clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for such clients than if they have not engaged in any such hedging transactions. Moreover, it should be noted that the portfolio is always exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

Certain hedging arrangements may create for SPPAM and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the “CFTC”) or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on a SPPAM Client’s hedging arrangements, including under circumstances where the ability of a SPPAM Client to hedge its exposures becomes limited by such requirements.

*Client Accounts are Subject to Risks of Fluctuating Exchange Rates.* SPPAM Clients may invest a portion of their assets in instruments denominated in currencies other than the U.S. dollar, the price of which is determined with reference to currencies other than the U.S. dollar. SPPAM Clients, however, typically value their securities and other assets in U.S. dollars. To the extent unhedged, the value of such client’s assets fluctuate with U.S. dollar exchange rates as well as the price changes of such client’s investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which a SPPAM Client makes its investments reduces the effect of increases and magnifies the effect of decreases in the prices of such client’s securities in its local markets. Conversely, a decrease in the value of the U.S. dollar has the opposite effect on such client’s non-U.S. dollar securities. SPPAM Clients also may utilize options and forward contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

*Loans of Portfolio Securities Could Result in Losses.* The Funds may lend their portfolio securities. By doing so, the Funds attempt to increase their income through the receipt of interest on the loans. In the event of the bankruptcy of the other party to a securities loan, the Funds could experience delays in recovering the securities loaned. The Funds could experience a loss if such securities are not recovered.

*Securities Loans.* The Funds may lend portfolio securities to banks, brokerage firms, and other institutional investors judged creditworthy by the Investment Manager, provided that cash or securities collateral, at least equal to the market value of the loaned securities, is continuously maintained by the borrower with the Funds. The Funds may invest the cash collateral and earn income, and/or they may receive an agreed-upon amount of income from the borrower. During the time securities are on loan, the borrower will pay the Funds an amount equivalent to any dividends or interest paid on such securities. These loans are subject to termination at the option of the respective Fund(s) or the borrower. The Funds may pay reasonable administrative and custodial fees in connection with a loan and may pay a negotiated portion of the interest earned on the cash to the borrower. The Funds may pay a negotiated fee to a securities lending agent, which may be an affiliate of the Investment Manager. The Funds do not have the right to vote securities on loan, but would terminate the loan and regain the right to vote if the Investment Manager determined that doing so were in the best interest of the respective Fund(s). Loans of portfolio securities involve the risk of loss of the loaned securities should the borrower fail financially or otherwise fail to return such loaned securities

in a timely manner, which could prevent the Funds from selling securities at a desirable price. In addition, any loss in the market price of securities loaned by the Funds that occurs during the term of the loan would be borne by the respective Fund(s) and would adversely affect such Fund's(s') performance.

*Foreign Investments Entail Various Additional Risks.* SPPAM Clients may invest in securities of foreign corporations and foreign countries. Investing in the equity securities of non-U.S. companies involves certain considerations not usually associated with investing in securities of United States companies, including political and economic considerations, such as greater risks of expropriation and nationalization; the potential difficulty of repatriating funds and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a SPPAM Client's investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to United States standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities markets in foreign countries than there is in the United States.

*Highly Volatile Markets.* The prices of financial instruments in which SPPAM Clients may invest can be highly volatile. Price movements of forward, futures, and other derivative contracts in which each SPPAM Client's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, wage, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. SPPAM Clients also are subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouse.

*Counterparty Risk.* Many of the markets in which the SPPAM Clients may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes SPPAM Clients to the risk that a counterparty will not settle a transaction in accordance with its terms or because of a credit or liquidity problem, thus causing the SPPAM Clients to suffer a loss.

*Failure of Prime Broker, Other Broker-Dealers.* Institutions, such as brokerage firms or banks, may hold certain of assets of SPPAM Clients in "street name." Bankruptcy or fraud at one of these institutions, in particular, one of the Funds' Prime Brokers that would hold a substantial portion of the Funds' assets, could impair the operational capabilities or the capital position of the Funds.

In addition, SPPAM Clients may borrow money or securities or utilize operational leverage with respect to its assets, in which case such clients will post certain of its assets as collateral securing the obligations or leverage ("**Margin Securities**"). The Funds' Prime Brokers, for example, generally hold Margin Securities on a commingled basis with margin securities of its other customers and may use certain Margin Securities to generate cash to fund the Funds' leverage, including pledging such Margin Securities. Some or all of the Margin Securities may be available to creditors of the Funds' Prime Brokers in the event of their insolvency. The Funds' Prime Brokers have netting and set off rights over all the assets held by them (which may indirectly include amounts held for the Funds' benefit in a special segregated bank account(s)) to satisfy the client's obligations under its agreements with the Funds' Prime Brokers, including obligations relating to any margin or short positions.

*Regulated and Tax-exempt Investors.* Certain prospective investors in the Funds may be subject to United States Federal and state laws, rules and regulations which may regulate their participation in the Funds, or its engaging directly, or indirectly through an investment in the Funds, in investment strategies of the types that the Funds may utilize from time to time (e.g., short sales of securities and the use of leverage and

limited diversification). Each type of organization may be subject to different laws, rules, and regulations, and prospective investors should consult their own advisers as to the advisability of an investment in the Funds. Investment in the Funds by entities subject to ERISA and tax-exempt requires special consideration. Trustees or administrators of such entities are urged to carefully review the matters discussed in the private placement memorandum for the applicable Fund.

*Effect of Investment by ERISA Plans.* Because the Funds permit significant investment by employee benefit plans that are governed by ERISA, the underlying assets of the Funds may be deemed to be “plan assets” within the meaning of ERISA and the U.S. Department of Labor’s “Plan Asset Regulation” (29 C.F.R. § 2510.3-101) and each investor that is a plan or trust subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) will be deemed to have an undivided interest in the underlying assets held by the applicable Fund. Additionally, the Investment Manager will be deemed to be a fiduciary within the meaning of ERISA or Section 4975 of the Code with respect to such investors. The applicable Funds will therefore be advised and operated to comply with the fiduciary requirements of ERISA, the prohibited transaction restrictions of ERISA or Section 4975 of the Code and such other requirements of ERISA and the Code that may apply to such Funds. Compliance with ERISA and the Code in this regard may constrain the Funds in their investments and operations. The exact nature of such potential constraints cannot be determined at this time and there can be no assurance that such constraints will not adversely affect the management or operation of the Funds.

*Investments in Cash Equivalents.* SPPAM may invest the assets of SPPAM Clients in cash equivalents to invest daily cash balances or for temporary defensive purposes. Cash equivalents are highly liquid, short-term securities such as commercial paper, time deposits, certificates of deposit, short-term notes and short-term U.S. government obligations. In addition, for temporary defensive purposes, SPPAM Clients may depart from their principal investment strategies and invest part or all of their total assets in fixed-income securities with remaining maturities of less than one year, cash or cash equivalents. During such periods, SPPAM Clients may not be able to achieve their investment objective.

*Funds May Make In-Kind Distributions to Investors.* Although SPPAM expects to distribute primarily cash to Fund investors upon redemption, Fund investors may receive distributions in-kind. There can be no assurance that sufficient cash will be available to satisfy redemption requests, or that SPPAM will be able to liquidate investments at favorable prices at the time such redemptions are requested. Investments distributed in kind may not be readily marketable or saleable and may have to be held by investors for an indefinite period of time.

*Absence of Regulatory Oversight.* While the Funds may be considered similar to investment companies, the Funds are not registered as such under the Investment Company Act in reliance an exception available to privately offered investment companies. Accordingly, the provisions of the Investment Company Act (which, among other things, require investment companies to have a majority of disinterested directors and regulate the relationship between the adviser and the investment company) are not applicable to the Funds or to any SMA Client.

*Uncertain Economic and Political Environment.* Changes in the state and federal laws applicable to SPPAM Clients and the Investment Manager and other securities or instruments in which SPPAM Clients may invest, may negatively affect the returns to its investors. The global financial markets continue to be subject to pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Legal, tax and regulatory changes could occur that may materially adversely affect SPPAM Clients.

The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated

volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a “self-reinforcing” economic downturn. The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, continues to be restricted. This may have an adverse effect on the economy generally and on the Investment Manager’s ability to execute respective strategies. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon valuations of companies in which SPPAM Clients invest.

*Changes in Investment Strategy.* The General Partner and the Investment Manager (or any other entity the General Partner chooses to serve as the Fund’s management company) have broad discretion to expand, revise or contract the Fund’s business without the consent of its investors. The Fund’s investment strategies may be altered without the prior consent of its investors. Any such decision to engage in a new activity or alter the Funds’ investment strategies could result in the exposure of the Fund’s capital to additional risks that may be substantial.

The Investment Manager may have the same ability for separately managed accounts.

*Net Exposure Long and Short May Be Relatively High.* The relatively high net exposures that a SPPAM Client may incur may increase the risk of loss.

*Income from Class Action Lawsuits.* Any income received from settled class action lawsuits benefits the investors in the Fund at the time the class action lawsuit is settled. In the event that a Fund receives income from a class action lawsuit, returns by Fund will vary, in part, due to differences in the amount of such income received, if any, and changes to the Fund’s net asset value over time. Similarly, SMA Clients may not receive income from settled class action lawsuits that occurred after such account was closed.

*Cyber Security Risk.* With the amplified use of technologies and the dependence on computer systems to perform routine and necessary business functions, SPPAM’s Clients and their service providers may be susceptible to operational, regulatory, and information security risks resulting from deliberate cyber-attacks or unintentional events caused by a successful cyber-attack. Successful cyber-attacks against, or security breakdowns of, the General Partner, the Investment Manager, any administrator, prime broker, custodian and/or any other third party service providers may adversely impact SPPAM’s Clients (as well as investors in the Funds) through the release of private or confidential information of such SPPAM Clients (or investors in the Funds), resulting in potential reputational damage, regulatory penalties, financial losses and/or additional compliance and security costs. While SPPAM Clients and many of their third party service providers have developed business continuity plans, internal procedures, and systems designed to prevent cyber-attacks, there are inherent limitations in such plans, procedures and systems.

## **Conflicts of Interest**

The discussion below reflects both historical and current practices of SPPAM and SPPAM Clients. Practices may vary among the Funds, and among the Funds and SMA Clients. Investors in the Funds should refer to the Fund Agreement of the applicable Fund, and SMA Clients should refer to their SMA for details regarding the specific practices of such Fund or separately managed account.

SPPAM, the General Partner, Summit Partners and other advisers affiliated with Summit Partners (each, a “**Summit Affiliate Adviser**”) engage in a broad range of advisory activities, including investment activities for their own account and for the accounts of other investment funds, partnerships or other clients including, but not limited to, other private investment funds managed by Summit Partners or a Summit Affiliate Adviser, some of which have an investment objective and policies that may overlap in some respects to



those of the SPPAM Clients. In the ordinary course of SPPAM, Summit Partners, or a Summit Affiliate Adviser conducting its activities, the interests of a Fund and/or SMA Client may conflict with the interests of SPPAM, Summit Partners, a Summit Affiliate Adviser, or one or more other funds, private investment funds or separately managed accounts managed by a Summit Affiliate Adviser, including information that may restrict the ability to trade securities. As a general matter, SPPAM will determine all matters relating to the Funds' operations in its sole discretion.

Summit Affiliate Advisers may give advice and recommend securities to other investment funds which may differ from advice given to, or securities recommended or bought for, SPPAM Clients, even though their investment objective may overlap in some respects with such clients.

### *Sources of Conflict of Interest*

Conflicts of interest that may be encountered by a SPPAM Client include those discussed below, though the discussion below does not describe all of the conflicts that may be faced. Other conflicts may be disclosed throughout this Brochure and this Brochure should be read in its entirety for other conflicts.

Summit Affiliate Advisers have existing and potential advisory and other relationships with a significant number of portfolio companies and other clients, and may provide financing, services, advice or otherwise deal with third parties whose interests conflict with the interests of a company in which a SPPAM Client has invested, such as competitors, suppliers or customers of a company in which a SPPAM Client has invested. Summit Affiliate Advisers may recommend or cause such a third party to take actions that are adverse to a SPPAM Client or companies in which it has invested.

Without limitation, Summit Affiliate Adviser principals currently, and expect in the future to manage several other investments similar to those in which a SPPAM Client may invest, and may direct certain relevant investment opportunities to those investments. Summit Affiliate Adviser principals and investment staff will continue to manage and monitor such investments until their realization. Such other investments controlled or managed by Summit Affiliate Adviser principals may potentially compete with companies in a SPPAM Client's portfolio. In the course of its business, a Summit Affiliate Adviser may come into possession of material, non-public information, and the receipt of such information may limit the ability of a SPPAM Client to buy and/or sell investments.

Personnel of affiliates of SPPAM may also invest in one or more Funds. Conflicts may arise to the extent such personnel manage other private investment funds and/or client accounts, the interests of which conflict with those of the Funds.

Additionally, the existence of a performance fee or allocation with respect to a SPPAM Client may create an incentive for the Investment Manager to cause such client to make more speculative investments than it would otherwise make in the absence of performance-based compensation. The performance fee or allocation may create an incentive for the Investment Manager to allocate investment opportunities to better performing SPPAM Clients or to allocate expenses to increase the performance fee or allocation.

While SPPAM will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to SPPAM Clients under the circumstances over time and considering relevant factors, there can be no assurance that a SPPAM Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which SPPAM may be subject, discussed herein, did not exist.

Securities for which no market prices are available will be valued at such value as the General Partner or the Investment Manager of a SPPAM Client, as applicable, may reasonably determine. The exercise of such

discretion may give rise to conflicts of interest, since the General Partner's performance fee or allocation and SPPAM's management fee are calculated based on these valuations.

SPPAM or one or more members of its professional staff may manage multiple SPAAM Clients. Most of the officers and employees responsible for managing a SPPAM Client will have responsibilities with respect to these other SPPAM Clients. Conflicts of interest may arise in allocating time, services, or functions of these officers and employees.

SPPAM also reserves the right to make independent decisions regarding recommendations about when any particular SPPAM Client should purchase and sell investments, and Summit Partners and Summit Affiliate Advisers reserve similar rights with respect to the funds that they advise. As a result, a SPPAM Client may be purchasing an investment at a time when a fund advised by SPPAM, Summit Partners or Summit Affiliate Adviser, including another SPPAM Client, is selling the same or a similar investment, or vice versa. A SPPAM Client may invest in opportunities that another SPPAM Client has declined, and likewise, such SPPAM Client may decline to invest in opportunities in which another SPPAM Client has invested. These positions and actions may adversely impact, or in some instances may benefit, certain of the SPPAM Clients. For example, a SPPAM Client may buy a security and another SPPAM Client may establish a short position in that same security. The subsequent short sale may result in a decrease in the price of the security which the first SPPAM Client holds. Conversely, SPPAM and/or Summit Partners or another Summit Affiliate Adviser may establish a short position in a security for a client it advises and SPPAM and/or Summit Partners or another Summit Affiliate Adviser may buy that same security for a different client it advises. The subsequent purchase may result in an increase of the price of the underlying position in the short sale exposure to a SPPAM Client's detriment. On the other hand, potential conflicts may also arise because portfolio decisions regarding a SPPAM Client may benefit other SPPAM Clients. For example, the sale of a long position or establishment of a short position for a SPPAM Client may decrease the price of the same security sold short by (and therefore benefit) a SPPAM Client, and the purchase of a security or covering of a short position in a security for a SPPAM Client may increase the price of the same security held by (and therefore benefit) a SPPAM Client.

The Investment Manager intends to vote proxies either in accordance with management recommendations, or otherwise in the best interests of the relevant SPPAM Client, taking into account such factors as it deems relevant in its sole discretion. Conflicts of interest may arise in voting proxies if different SPPAM Clients hold different interests (*e.g.*, long vs short) in a company.

Implementation of certain of the investments strategies of the SPPAM Clients may be dependent, in whole or in part, on information obtained by SPPAM from its affiliates. Such affiliates are not obligated to provide such information to SPPAM and may decide not to provide such information to SPPAM at any time. There is no assurance that SPPAM will receive such information now or in the future.

From time to time, SPPAM, Summit Partners or a Summit Affiliate Adviser may come into possession of material, non-public information, and such information may limit the ability of a SPPAM Client to buy and sell investments. Furthermore, SPPAM, Summit Partners or Summit Affiliate Advisers may agree from time to time to "cross" ethical walls, and Summit Partners may from time to time impose restrictions on transactions involving particular issuers in its sole discretion taking into account all factors it deems relevant in the collective interest of Summit Partners and its affiliated advisers. In such cases, a SPPAM Client could be restricted in transactions involving a particular issuer. In addition, SPPAM may be restricted by contract from using confidential information that it, or a SPPAM affiliate, has for the benefit of a SPPAM Client. Positions held in companies by funds or other accounts managed by Summit Partners or other Summit Affiliated Advisers may preclude the Funds from owning a security of the same company.

SPPAM and its members, officers, and employees devote as much of their time to the activities of the SPPAM Clients as they deem necessary and appropriate. SPPAM and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the SPPAM Clients and/or may involve substantial time and resources of SPPAM. These activities could be viewed as creating a conflict of interest, in that the time and effort of the members of SPPAM and its officers and employees are not devoted exclusively to the business of the SPPAM Clients, but are allocated between the business of the SPPAM Clients and the management of the monies of other advisees of members of SPPAM.

### *Conflict Resolution*

SPPAM and each Summit Affiliate Adviser will deal with all conflicts of interest using its best judgment, but in its sole discretion. When conflicts arise among investment funds or accounts managed by SPPAM and Summit Partners or the other Summit Affiliate Advisers, Summit Partners or the participating Summit Affiliate Adviser will represent the interests of the investment funds or accounts they advise. In resolving conflicts, Summit Partners or the Summit Affiliate Advisers may consider various factors, including the interests of funds and accounts they manage in the context of both the immediate issue at hand and the longer-term course of dealings.

When it is determined that it would be appropriate for the Funds and one or more other investment accounts (including separately managed accounts) managed by SPPAM or its Affiliates to participate in an investment opportunity, SPPAM will seek to execute orders for all of the participating investment accounts, including the Funds, on an equitable basis, taking into account such factors as the investment objectives of the client accounts, the potential investment needs of the clients' accounts, the appropriateness of the investment to a client's account performance, time horizon and risk objectives, existing levels of client ownership in the investment and in similar types of companies, and the immediate availability of cash or buying power to fund the investment.

If an investment decision is made for multiple accounts at the same time, the orders will be aggregated. Before entering an aggregated order, a portfolio manager or the Chief Risk Officer must specify in writing the participating client accounts and how the portfolio manager or the Chief Risk Officer intends to allocate the order among those accounts. The Director of Trading Strategies or Execution Trader then enters the order into the Order Management System, which allocates the order among the applicable SPPAM Clients. Typically for the Funds, trades are allocated based on the net assets under management as of the start of the month. If an order is entered while a pending order is still open, then the orders will be aggregated. If an order is filled prior to the entry of a subsequent order, then the orders will not be aggregated, but rather will be executed in the order received.

If a complete execution of an aggregated order occurs, each participating SPPAM Client account must participate at the average price and share *pro rata* in the commission and transaction costs. With respect to the Funds, the securities purchased will be allocated across the Fund families according to the order size indicated by the portfolio manager or the Chief Risk Officer, and then allocated *pro rata* across the participating Funds based on net assets under management of the specified Fund(s) as of the start of that day. If an aggregated order for the Funds is partially filled, the portfolio manager or Chief Risk Officer typically must allocate the amount of securities sold or bought among the participating Funds. The initial allocation between Fund families is based on the order size indicated by the portfolio manager or the Chief Risk Officer, and then the partially filled order is allocated to each participating Fund on a *pro rata* basis based on the net assets under management of the specified Fund(s) as of the start of that day.

The allocation of limited supply securities in an IPO will be made on a *pro rata* basis across all participating SPPAM Clients based on the net assets under management as of the start of the business day in which the IPO occurred, and, with respect to the Funds, then allocated to underlying investors in the Funds based on new issue income eligibility based on assets under management at the beginning of the month. Should SPPAM decide to deviate from this *pro rata* allocation policy, SPPAM will document the reason(s) for such deviation in writing.

The appropriate allocation of expenses and fees generated in the course of evaluating and making investments often may not be clear, especially where more than one SPPAM Client participates. For instance, if there are expenses involved in evaluating an investment and multiple SPPAM Clients are considering making an investment, allocation of the expenses generated for the account of such SPPAM Clients (such as expenses of common counsel) will be made in good faith and in accordance with the Investment Manager's allocation procedures. When SPPAM and its controlled affiliates incur expenses that were related to more than one SPPAM Client, they will typically allocate such expense among all SPPAM Clients eligible to reimburse expenses of the applicable nature.

#### **Section 6.      Disciplinary Information**

SPPAM and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

#### **Section 7.      Other Financial Industry Activities and Affiliations**

SPPAM is affiliated with Summit Partners Alydar GP, L.P., which is subject to the Advisers Act pursuant to SPPAM's registration in accordance with SEC guidance. Summit Partners Alydar GP, L.P. operates as a single advisory business together with SPPAM and serves as General Partner of the Onshore Funds and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

SPPAM is affiliated with Summit Partners, L.P., Summit Partners Credit Advisors, L.P. and their related advisory entities, each of which is separately registered or deemed registered as an investment adviser with the SEC under the Advisers Act. More information regarding Summit Partners, L.P., Summit Partners Credit Advisors, L.P. and their affiliated investment advisers can be found on those entities Forms ADV Part 2As.

Summit Partners, L.P. has adopted certain policies and procedures to minimize any conflict of interest between clients advised by each of SPPAM, Summit Partners, L.P. and Summit Partners Credit Advisors, L.P. The clients advised by each of SPPAM, Summit Partners, L.P., and Summit Partners Credit Advisors, L.P. have substantially different investment programs. Each of SPPAM, Summit Partners, L.P. and Summit Partners Credit Advisors, L.P.'s investment activities are generally performed independently; however, each may leverage Summit Partners, L.P. internal deal sourcing network and internal contacts when performing investment activities.

#### **Section 8.      Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

SPPAM has adopted the Summit Partners, L.P.'s Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of SPPAM's Principals and employees and addresses conflicts that arise from personal trading. The Code requires SPPAM's personnel to report their personal securities transactions and, subject to certain exceptions, prohibits the SPPAM's personnel's direct or indirect acquisition of beneficial ownership of securities without first

obtaining approval from the SPPAM's Chief Compliance Officer. In addition, the Code requires SPPAM's Principals and employees to comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any client or prospective client upon request to Robin W. Devereux at 617-824-1000 or [RDevereux@summitpartners.com](mailto:RDevereux@summitpartners.com). Personal securities transactions by employees who manage SPPAM Client accounts are required to be conducted in a manner that prioritizes the SPPAM Client's interests in client-eligible investments. Generally, private investments must be pre-cleared and transactions in publicly traded securities are restricted to a limited number of securities. However, Summit personnel may continue to hold for their own accounts publicly traded securities that they held prior to being subject to SPPAM's current Code.

SPPAM and their affiliated persons may come into possession from time to time of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, SPPAM and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a SPPAM Client. Accordingly, should SPPAM or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, SPPAM would be prohibited from communicating such information to SPPAM Clients, and SPPAM will have no responsibility or liability for failing to disclose such information to SPPAM Clients as a result of following their policies and procedures designed to comply with applicable law. Such practice could impact the performance of SPPAM Clients.

SPPAM and its affiliates, Principals and employees may carry on investment activities for their own accounts and for family members, friends or others who do not invest in the Funds or separately managed accounts advised by SPPAM, and may give advice and recommend securities to other accounts or certain Funds or vehicles which may differ from advice given to, or securities recommended or bought for, other accounts or Funds or vehicles, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Funds sponsored by SPPAM (the "**Referenced Funds**") or certain separately managed accounts advised by SPPAM (the "**Referenced Accounts**," and, together with the Referenced Funds, the "**Referenced Clients**") may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other SPPAM Clients in issuers held by such Referenced Clients or may give priority with respect to investments to such Referenced Clients. Some of these restrictions could be waived by investors (or their representatives or advisory boards) in such Referenced Clients. However, SPPAM may or may not, in their sole discretion, seek any such waiver and, in any event, there can be no assurance that any waiver sought would be obtained.

SPPAM may recommend the purchase or sale of securities for a SPPAM Client in which one or more of their partners, members, officers, directors, employees (and members of their families) or affiliates ("**affiliated persons**"), directly or indirectly, have a position or interest, or which an affiliated person buys or sells for himself or herself. Such transactions also may include trading in securities in a manner that differs from or is inconsistent with the advice given to SPPAM Clients. Certain of these transactions may require the consent of the applicable SMA Clients or Funds.

## **Section 9.      Brokerage Practices**

SPPAM uses its best efforts to obtain prompt execution, the most favorable price reasonably available, and a commission rate competitive with generally prevailing commission rates. In placing transactions on behalf of SPPAM Clients, SPPAM considers a variety of factors in selecting broker-dealers for transactions and determining the reasonableness of their compensation, including: (i) knowledge of the security and/or market (ii) knowledge of SPPAM's trading strategy; (iii) execution efficiency, access to blocks of stocks, natural market crosses, and limited market impact; and (iv) credit standing and reputation.

SPPAM also considers whether a broker has furnished research or other services that enhance its portfolio management capabilities. In accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended, SPPAM may negotiate with and assign to a broker a commission that may exceed the commission that another broker would have charged if SPPAM determines in good faith that the amount of commission charged was reasonable in relation to the value of brokerage and/or research services provided by such broker.

SPPAM relies on the expertise and market knowledge of the Chief Risk Officer and traders to assess and react to market conditions when executing transaction decisions. SPPAM also considers the use of electronic trading tools, such as execution algorithms, when executing trades on behalf of SPPAM Clients, which are designed to allow SPPAM to transact privately, anonymously and in a more cost effective manner.

SPPAM obtains both proprietary research (created or developed by the broker-dealer) and research created and developed by a third party, including broker-dealer firm's proprietary research reports and analytical products, opportunities to meet with company management, seminars, news conferences, industry publications and market data feeds. In addition, SPPAM receives brokerage services, such as news and quotation equipment, trading software, and quantitative analytical software, permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended, that assist in the execution, allocation, and settlement of securities transactions. The research and brokerage services obtained from broker-dealers are used for the benefit of all SPPAM Clients, even if generated by a particular client.

Research services received from brokers and dealers are supplemental to SPPAM's own research efforts. As such, SPPAM has an incentive to select broker-dealers based on SPPAM's interest in receiving research or other products or services, rather than on a SPPAM Client's interest in receiving best execution. However, as a practical matter, it would not be possible for SPPAM to generate all of the information presently provided by brokers and dealers through internal research. As such, SPPAM pays directly for certain research services received from external sources and allocates brokerage to pay for other research services in accordance with Section 28(e). While the receipt of research services from brokerage firms has not reduced SPPAM's normal research activities, the expenses of SPPAM would be materially increased if it attempted to generate such additional information through its own investment research activities.

SPPAM does not have any agreement or formula for the allocation of brokerage business on the basis of research services; however, investment personnel monitor which brokers have provided research that has been helpful in the management of the SPPAM Clients and tally those results in a quarterly voting process. To the extent consistent with the foregoing and its duty to seek best execution, SPPAM may seek to place a portion of the trades that it directs with the brokers who have been so identified. SPPAM also utilizes commission sharing arrangements whereby a portion of the commission dollars generated through SPPAM's routine trading activity are aggregated and periodically allocated through a soft dollar aggregator, currently Bloomberg, to firms that provide research services to SPPAM.

When SPPAM intends to buy or sell the same security in two or more SPPAM Client accounts it may, but is not obligated to, aggregate those transactions to form a single block trade. SPPAM has discretion to wait to place orders if it is aware of a potential additional trade of the same security that may be pending or it may decide to execute trades immediately when it receives trade instructions. Decisions around the timing and aggregation of trades are made with the goal to seek best execution and to effectively manage SPPAM's order flow across multiple funds with similar investment strategies.

Before entering an aggregated order, a portfolio manager or the Chief Risk Officer must specify in writing the participating client accounts and how the portfolio manager or the Chief Risk Officer intends to allocate the order among those accounts.

If a completed execution of an aggregated order occurs, each participating SPPAM Client account must participate at the average price for all transactions and must share in the commissions or other transactions costs on a *pro rata* basis. With respect to the Funds, the securities purchased will then be allocated across the Fund families according to the order size indicated by the portfolio manager or the Chief Risk Officer, and then allocated *pro rata* across the participating Funds based on net assets under management of the specified Fund(s) as of the start of that day. If an aggregated order for the Funds is partially filled, the portfolio manager or Chief Risk Officer typically must allocate the amount of the security sold or bought among the participating Funds. The initial allocation between Fund families is based on the order size indicated by the portfolio manager or the Chief Risk Officer, and then the partially filled order is allocated to each participating Fund on a *pro rata* basis based on the net assets under management of the specified Fund(s) as of the start of that day. See also Section 5 – “Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest – Conflict Resolution.”

SPPAM will participate in initial public offerings (“**New Offerings**”) where there is limited availability of shares. Such participation is subject to the appropriateness of the security being offered for the SPPAM Client’s investment strategy and the eligibility of SPPAM Client accounts to participate. Generally, when SPPAM participates in a New Offering, it seeks to allocate such offering on a *pro rata* basis among all eligible and participating SPPAM Clients based on the net assets under management as of the start of the business day in which the IPO occurred, and then, with respect to the Funds, to underlying IPO eligible investors. However, SPPAM may allocate the securities to fewer accounts due to factors such as investment restrictions, cash availability or current specific needs.

#### **Section 10.     Review of Accounts**

Each Fund within each Fund family typically invests and holds all portfolio securities proportionately based on the net assets of each entity. The Funds may enter into “rebalancing” transactions on a monthly basis when either extraordinary income, inflows of capital, redemptions of capital or daily trading change the *pro rata* ratio of a Fund’s portfolio composition to the other Funds within the Fund family. The purpose of any such rebalancing transactions would be to bring each Fund’s exposure to a commonly held portfolio security in line with the other Funds within the same Fund family’s exposure to a commonly held portfolio security. All rebalancing transactions are shown separately to the market, incur commissions permitted by Section 28(e), described above and may generate soft dollar commissions. Certain portfolio securities may be excluded from the rebalance for various reasons including, but not limited to, if a portfolio security entered bankruptcy or if SPPAM and their affiliated persons came into possession of material nonpublic or other confidential information regarding a portfolio security.

Generally, SPPAM Client accounts are reviewed on a continual basis by investment personnel and the respective portfolio managers. These reviews are designed to monitor and analyze SPPAM Client transactions and positions and ensure compliance with investment objectives and restrictions. SPPAM’s Chief Compliance Officer periodically checks to confirm that each SPPAM Client account is managed in accordance with its stated objectives.

The Funds generally provide to their limited partners (i) annual GAAP audited and quarterly unaudited financial statements, and (ii) annual tax information necessary for each limited partner’s tax return. Information about the securities, positions and performance of the Funds is also available to investors upon request.

SMA Clients generally negotiate reporting requirements specific to their account. In the event of individually negotiated terms for SMA Clients, SPPAM will provide the reporting mutually agreed to by the parties as evidenced by their SMA.



## **Section 11. Client Referrals and Other Compensation**

On September 10, 2015, the General Partner, Management Company, Summit Partners Sustainable Opportunities L/S QP Fund, L.P. and Summit Partners Sustainable Opportunities Fund Limited entered into a selling agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated (“**Merrill Lynch**”) to offer Interests in Summit Partners Sustainable Opportunities L/S QP, L.P. and Summit Partners Sustainable Opportunities L/S Fund Limited, to clients of Merrill Lynch. Such investors may invest in such Funds through Merrill Lynch with lower initial investment requirements and potentially a lower management fee to Summit, but subject to fees and expenses associated with their accounts at Merrill Lynch, which may include an upfront sales commission. Investors subscribing through a managed account platform at Merrill Lynch, will pay management fees to the Fund at a rate of approximately 0.75% per annum, with Merrill Lynch charging a separate managed account fee to such investors. Other investors that subscribe through Merrill Lynch will pay management fees to Summit at a rate of approximately 1.50% per annum, and Summit will pay Merrill Lynch an ongoing fee equal to approximately 0.75% per annum of the net assets of such Funds that are attributable to such investors.

On November 23, 2016, SPPAM entered into a non-discretionary advisory agreement with a financial institution whereby SPPAM provides certain non-discretionary investment recommendations to such financial institution for a sub-advisory fee based on a weighting assigned by such financial institution. The arrangement requires SPPAM to provide the financial institution with its best ideas for the concentrated growth strategy and the financial institution is not required to accept the investment recommendations provided by SPPAM.

## **Section 12. Custody**

SPPAM maintains custody of the Funds’ assets held in the Funds’ names with the qualified custodians listed below:

- Morgan Stanley, located at 1221 Avenue of the Americas, New York, NY 10020
- Merrill Lynch Professional Clearing Corporation, One Bryant Park, 6<sup>th</sup> Floor, New York, NY 10036

The assets maintained in any separately managed account advised by SPPAM will be custodied with the broker or other custodian which established the account on behalf of such SMA Client.

## **Section 13. Investment Discretion**

SPPAM has discretionary authority to manage investments on behalf of the SPPAM Clients. SPPAM assumes this discretionary authority, with respect to the Funds, pursuant to the terms of the Fund Agreement and powers of attorney executed by the limited partners of the Fund or, with respect to SMA Clients, pursuant to the terms of the applicable SMA.

As a general policy, SPPAM does not allow SPPAM Clients to place limitations on its discretionary authority, provided that the Fund Agreement of a Fund or the SMA, as applicable, may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the applicable Fund Agreement, however, SPPAM may enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner’s investment in the Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons or for other agreed upon reasons.



#### **Section 14. Voting Client Securities**

In accordance with SEC requirements, SPPAM has adopted Proxy Voting Policies and Procedures (the “Policy”) to address how SPPAM will vote proxies, as applicable, for SPPAM Clients’ investments. The Policy seeks to ensure that SPPAM votes proxies (or similar instruments) so as to promote the long term economic value of the underlying securities. Each proxy will be considered on its own merits and SPPAM will vote exclusively with the goal to best serve the financial interest of SPPAM Clients.

SPPAM has retained Proxy Edge to assist in the proxy voting process. Proxy Edge votes all proxies according to SPPAM’s general guidance and retains all required documentation associated with proxy voting. Neither the SPPAM Clients nor underlying investors in the Funds may direct SPPAM with respect to any proxy.

In the event, however, there is or may be a conflict of interest between SPPAM and the SPPAM Clients in voting proxies, the Policy provides that for a proxy voting committee to convene and to determine the appropriate vote. A conflict of interest could arise, for example, as a result of a business relationship with a company, or a direct or indirect business interest in the matter being voted upon, or as a result of a personnel relationship with corporate directors or candidates for directorship.

SPPAM has adopted policies and procedures to review and recall loaned securities, if necessary, so that SPPAM may vote a proxy for a company the securities of which have been loaned to another party, if SPPAM has knowledge that a material event will occur affecting a security on a loan. SPPAM employs a cost-benefit analysis to determine whether the cost of voting a proxy for a security on a loan exceeds the expected benefit to the SPPAM Client of voting the proxy. There is a risk that SPPAM may not receive recalled securities in time to vote a proxy, which could adversely affect SPPAM Clients.

A copy of the Policy or information regarding how SPPAM voted proxies for particular investments will be provided to SPPAM Clients or prospective SPPAM Clients at no charge upon request to Robin W. Devereux at 617-824-1000 or [RDevereux@summitpartners.com](mailto:RDevereux@summitpartners.com).

#### **Section 15. Financial Information**

SPPAM does not require or solicit prepayment of management fees more than six months in advance and does not have any other events requiring disclosure under this item of the Brochure.