

ITEM 1 – COVER PAGE

PART 2A OF FORM ADV FIRM BROCHURE



Pacific Lake Partners, LLC

**800 Boylston Street Suite 2220
Boston, MA 02109
(617) 658-3024**

www.pacificlake.com

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This Form ADV Part 2A brochure (the “Brochure”) provides information about the qualifications and business practices of Pacific Lake Partners, LLC (“Pacific Lake”, “our”, “we” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Robert W. Morgan II at (617) 746 – 2692 or by email at rob.morgan@pacificlake.com. 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. References in this Brochure to Pacific Lake as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about Pacific Lake is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

This Brochure (the “Brochure”) replaces the last version of Pacific Lake’s Brochure dated March 26, 2019. This Brochure has been updated to reflect the updated clients and assets of the Adviser. Please see items 4, 7, 8, and 12 for more information.

Please review this Brochure carefully and in its entirety.

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ITEM 4 – ADVISORY BUSINESS

Pacific Lake Partners, LLC (“Pacific Lake”, “our”, “we” or the “Firm”), a Delaware Limited Liability Company formed in July 2009, is a private equity firm which focuses primarily on search funds: single purpose vehicles through which entrepreneurs source one small-cap company to acquire and then manage (each individually a “Search Fund”) and operating companies acquired by the Search Fund entrepreneurs. Pacific Lake also provides advisory services to a long-term hold fund that targets known search fund companies with CEOs that have demonstrated success typically over three to seven years, typically through a recapitalization transaction.

The principal owners of Pacific Lake are Thomas Coleman Andrews IV and James Southern III (collectively, the “Principals”).

Pacific Lake provides investment advisory services to the private pooled investment vehicles described above (the “Funds”), its only advisory clients. The Funds are closed-ended and generally have a term of 10 years, subject to certain exceptions and allowable extensions described in each Fund’s Governing Documents (as defined below). The Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and the securities of the Funds are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

Affiliates of Pacific Lake serve as the general partners or managers of the Funds (as applicable) (together, the “General Partners”). Each of the General Partners is a related person of Pacific Lake and is under common control with Pacific Lake. While each General Partner retains management authority over the business and affairs, including investment decisions, of its respective Fund, Pacific Lake has been delegated the role of investment adviser. The General Partners and their employees and personnel will be subject to the Investment Advisers Act of 1940 (the “Advisers Act”) and rules thereunder, and to all of Pacific Lake’s compliance policies and procedures. Each of the personnel of the General Partners will be deemed “persons associated with” Pacific Lake (as that term is defined in section 202(a)(17) of the Advisers Act) and will be subject to SEC examination. As such, references to Pacific Lake in this Brochure should also be considered references to the General Partners (and vice versa) in the appropriate context.

Each Fund is governed by a limited partnership agreement and/or an operating agreement and, which may be supplemented by a private placement memorandum (“Governing Documents”) that specify the specific investment guidelines and investment restrictions applicable to the Fund. In certain cases, the private placement memoranda prepared for the investors of the Funds contains information regarding the intended investment program for such Fund. Pacific Lake, together with the General Partners, provides investment management and administrative services to the Funds in accordance with each Fund’s Governing Documents.

The investors in the Funds (“Investors”) are primarily “qualified purchasers” (as defined in the investment Company Act) and/or “accredited investors” (as defined in Regulation D under the Securities Act). Pacific Lake generally has broad and flexible investment authority with respect to the Funds. Each Fund’s investment objective and strategy is set forth in a confidential private placement memorandum. All Investors in the Funds are provided with a confidential private placement memorandum and are urged to carefully review those documents.

As noted above, the only advisory clients of Pacific Lake are the Funds. Pacific Lake tailors its investment advice to each Fund in accordance with the Fund’s investment objectives and strategy as set forth in each Fund’s Governing Documents. Pacific Lake typically does not tailor its advisory services to the individual needs of Investors and, except as noted below, does not accept any sort of investment restrictions from Investors as it relates to the Funds.

Generally, the Investors in each Fund are not able to negotiate the terms of each Fund’s Governing Documents in connection with their investments in such Fund. In certain cases, the General Partners have, and may in the future, enter into side letter agreements with certain Investors in a Fund establishing rights under, or

supplementing or altering the terms of, each Fund's Governing Documents. Such rights and privileges may not be available to other Investors (including without limitation, transparency rights, reporting rights, capacity rights, approval rights and certain other protections and the right to receive certain special allocations).

Once invested in a Fund, Investors generally cannot impose additional investment guidelines or restrictions to such Fund.

Pacific Lake does not participate in wrap fee programs.

As of December 31, 2019, Pacific Lake manages \$780,319,436 of client assets on a discretionary basis. Pacific Lake does not currently manage any client assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Pacific Lake is compensated through the payment of management fees and performance-based compensation by the Funds. The following is a description of the annual management fee (the “Management Fee”) charged to each Fund. The Funds’ respective Governing Documents describe the Management Fees in further detail.

Pacific Lake (or its affiliates) receives an annual management fee which will vary by Fund and certain Funds may not be charged a fee. Generally, during the term of the Funds (including extension periods) or, as applicable, during the period prescribed in each Fund’s Governing Documents during which the Fund is permitted to make investments in new portfolio companies (the “Investment Period”), the Funds pay Pacific Lake a Management Fee, payable quarterly in advance, typically ranging from 1.00% to 2.50% (per annum) of committed or invested capital based on the terms of the Funds’ Governing Documents. Management Fees may be reduced or increased after the applicable Investment Period as further described in the Funds’ Governing Documents.

The Management Fees paid to Pacific Lake are not negotiable after they have been documented in each Fund’s Governing Documents. However, pursuant to each Fund’s Governing Documents, the Management Fees and/or performance allocations (and related distributions) may be (and have been) waived and/or reduced at the discretion of the relevant General Partner. Certain limited partners of the Funds may be and have been granted such fee and allocation waivers or reductions such as Special Limited Partners and other persons at the discretion of the General Partner.

As a result of investments made by Pacific Lake, Pacific Lake may be granted board representation in addition to customary shareholder rights. As such, Pacific Lake Employees may have management roles within companies Pacific Lake has invested in. In each Fund’s Limited Partnership Agreement, there is language that dictates how board of director and other paid fees could impact the Management Fee charged to the Fund. In certain Funds, the Management Fee charged by Pacific Lake to the Funds will be subject to offset by certain fees (in cash or in kind), which may include the share of all director’s fees, consulting fees, commitment fees, monitoring fees, break-up fees, success fees or other remunerations paid by such companies to Pacific Lake. Such a reduction would be net of any unreimbursed expenses incurred in fulfillment of the services rendered to the Fund’s portfolio company. In no event shall any provision of this policy be interpreted as preventing (or limiting in any respect) the Managing Member from taking an active role in or receiving compensation for founding or serving on the boards of directors of companies, provided that the Managing Member is the contracting party to any such compensation agreements.

Pacific Lake, or the General Partners, deduct fees applicable to the appropriate Fund (and Investors) directly from the Fund’s assets.

In addition to the fees and other compensation payable to Pacific Lake as noted above, as well as the General Partners’ Carried Interest (as defined in Item 6 below), the Fund shall be responsible for all expenses related to the Fund and its activities, including, without limitation, organizational expenses; the Management Fee; any fees paid to any placement agents; all costs and expenses incurred in respect of: the identification, purchase, holding, monitoring or sale or exchange or other disposition of securities, including reasonable travel related thereto, the forming and operating of an AIV, reasonable private placement and finder’s fees in contemplation of an investment by the Fund paid to persons other than the General Partner or members of the General Partner or any of their affiliates and costs and expenses associated with conference sponsorships (including conferences sponsored by the Management Company or its Affiliates) targeting senior level management of companies an investment in which is within the scope of the Partnership’s investment objectives; real property or personal property taxes on investments; brokerage fees; taxes applicable to the Fund on account of its operations; fees incurred in connection with the maintenance of bank or custodian accounts; legal, audit, and other expenses incurred in connection with the registration of portfolio company securities under the U.S. Securities Act of 1933; legal and accounting fees and expenses incurred in connection with the purchase or sale or exchange or other disposition of securities (whether or not such purchase, sale or exchange or other disposition is ultimately consummated); financial fees; fees and expenses of investment advisers and independent consultants incurred in investigating and evaluating investment

opportunities; Broken Deal Expenses; and fees, costs and expenses incurred in complying with “know your customer” laws, Foreign Account Reporting Regimes or similar laws; expenses associated with the Management Company’s (to the extent related to the marketing efforts on behalf of, or ongoing compliance with respect to, the Partnership) and the Partnership’s compliance with the requirements of the AIFMD, as implemented in any relevant jurisdiction and including any secondary legislation, regulations, rules and/or associated guidance and any related requirements (including any equivalent law, rule or regulation which may come into effect in the event that the United Kingdom ceases to be part of the European Union); and all fees, costs and expenses incurred in connection with any restructuring or amendments to the constituent documents of the Partnership and related entities. Fees of the independent certified public accountant incurred in connection with the annual audit of the Fund’s books and the preparation of the Fund’s annual tax return and the General Partner’s annual tax return, costs of independent appraisers, legal expenses of the Fund, accounting expenses paid to third parties for the maintenance of the Fund’s books and records, premiums associated with insurance, if any, to insure against any claims that could be made directly against the Fund, the General Partner, the Management Company or any person eligible to be indemnified by the Fund or that could give rise to an indemnification obligation of the Fund (the purchase of such insurance, if any, shall be at the discretion of the General Partner), preparation and other expenses associated with annual and other reports to the Partners, the costs and expenses of complying with any side letter provisions, the costs associated with any Fund meetings, and all expenses that are not normal administrative and overhead expenses, including all legal fees and expenses incurred in prosecuting or defending administrative or legal proceedings relating to the Fund brought by or against the Fund, the Management Company or the General Partner, or the members, partners, employees or agents or former members, partners, employees or agents of any of the foregoing, including all costs and expenses arising out of or resulting from the indemnification obligations of the Fund and subject to the limitations imposed within the Government Documents.

Subject to any expense cap in the Governing Documents, each Fund will bear all of the expenses incurred in the formation of, and the offer and sale of Interests in, the Fund and its General Partner. The Governing Documents of certain Funds may provide for a Management Fee reduction if the expense cap is exceeded.

Pacific Lake will pay for all of its own normal day-to-day operating expenses, such as compensation of its professional staff, and the cost of office space, office equipment, communications, utilities and other such normal overhead expenses.

If any Fund expenses are associated with two or more Funds, such expenses will typically be allocated by the General Partner according to the relative aggregate capital commitments of the applicable funds, usage of the applicable funds, or other such criteria subject to the discretion of the General Partner.

Investors may not terminate advisory contracts prior to the end of a billing period because they may not withdraw from their respective Fund prior to dissolution, and may not transfer any of their interest rights or obligations under the Fund without the prior written consent of Pacific Lake or the applicable General Partner, as applicable. As such, there is no need for a refund mechanism.

It is important that Investors refer to the relevant Fund’s Governing Documents for a complete understanding of how fees are paid to Pacific Lake and what expenses they may pay through an investment in the Funds. The information contained herein is a summary only and is qualified in its entirety by such documents.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The General Partners may receive a performance allocation (“Carried Interest”) from the Funds. Carried Interest is generally equal to 20% of realized gains, which, depending on the Fund, applies once an Investor in the relevant Fund has received back all contributed capital to date (as of the date of distribution). Depending on the Fund(s), Investors are generally allocated all gains until the Fund has recognized cumulative Net Income for U.S. tax purposes. Thereafter, for the applicable Fund(s), gains are generally shared on an 80%/20% basis between Investors and the General Partners.

The fact that affiliates of Pacific Lake receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for Pacific Lake to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. Investors are provided with clear disclosure as to how performance-based compensation is charged with respect to a particular Fund and the risks associated with such performance-based compensation prior to making an investment.

Pacific Lake recognizes that it is a fiduciary and that it must treat all Funds fairly and not favor one Fund’s interests over another’s. Additionally, Pacific Lake believes this incentive is mitigated because the General Partners (and their principals) also invest in the Funds so that their interests should be aligned with the interests of the Fund.

Please see Item 11 below for information on the allocation of investment opportunities between Funds, including co-investments by affiliates and third-parties, and related conflicts of interest.

Please refer to each Fund’s Governing Documents for complete information on the fee arrangements.

ITEM 7 – TYPES OF CLIENTS

Pacific Lake provides investment advisory services to the Funds, as described in Item 4, above. During the periods of time when the Funds were open to new Investors, the Funds were open only to Investors meeting certain suitability requirements, as described below.

Generally, Pacific Lake requires that each investor in a Fund be (i) an “accredited investor” as defined in Regulation D under the Securities Act of 1933, and/or (ii) a “qualified purchaser” or “knowledgeable employee”, within the meaning of the Investment Company Act of 1940, as amended. Minimum investment commitments in the past have been, and in the future may be, established for Investors in Pacific Lake Funds. The General Partners of each Fund, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable private placement memoranda of a Fund.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The following summarizes the methods of analysis and investment strategies used by Pacific Lake in formulating investment advice.

There can be no assurance that Pacific Lake and the Funds will achieve their investment objectives or that the investment strategies employed by Pacific Lake will be successful. Investing in securities involves a risk of loss the Investors should be prepared to bear.

Pacific Lake focuses on investing in Search Funds and companies sourced and managed by Search Fund entrepreneurs. As such, Pacific Lake has three sets of criteria for each type of investment, as detailed below:

Search Funds

When investing in Search Funds, generally Pacific Lake looks to invest in recent graduates of top MBA programs seeking to perform a location-agnostic search with an emphasis on sourcing their own opportunity rather than relying on a broker or banker. Please see each Fund's Governing Documents for more information.

Operating Companies

When evaluating investment opportunities presented by Search Fund entrepreneurs, Pacific Lake looks for many different characteristics, including the types of goods/services provided, go-to-market strategy, complexity of operations, ability to generate profits, and positive future expectations. In general, Pacific Lake does not expect to invest in any turnaround investments. Based on the investment objectives of the applicable Fund, each Fund has its own target for length of time that an investment is projected to be held by the Fund. Certain Funds may hold investments for longer than others in accordance with the Fund's stated investment objectives. Please see each Fund's Governing Documents for more information.

Long-Term Hold Fund

When evaluating investment opportunities for the Long-Term Hold Fund, generally Pacific Lake seeks to invest in known search fund companies with CEOs that have demonstrated success over three to seven years. Targets will primarily be growing, profitable service companies with simple operations in attractive industries that can support the company's ongoing growth. Pacific Lake plans to hold these companies meaningfully longer than the traditional three- to five-year private equity holding period in order to build the companies into substantial businesses. Please see each Fund's Governing Documents for more information.

Risks

An investment in the Funds involves a significant degree of risk. There can be no assurance that the Funds' targeted rate of return or return on investment will be achieved or that there will be any return of capital. The environment for private equity investments is increasingly competitive and an Investor should only invest in the Funds if the Investor can withstand the liquidity constraints of an investment in the Funds and a total loss of its investment.

No guarantee or representation is made that the Funds' investment programs will be successful. Please note that all references to Pacific Lake in this Item 8 shall include the General Partners of each Fund. Below is a summary of the material risks associated with an investment in the Funds. Investors should consult each Fund's Governing Documents for a full breakdown of that Fund's additional risks:

Search Funds. Funds invest primarily in Search Funds and their target acquisition companies. These Search Funds are generally run by inexperienced entrepreneurs, often recently out of graduate school. Such persons will generally have a limited track record of finding and managing operating companies. While historically approximately one-quarter of Search Funds close without finding an acquisition, that number could increase

given the number of new Search Funds in the market today. Further, should any additional exogenous shocks to the U.S. financial system occur that lead to a slow-down or halt of M&A activity, such searchers may not be able to find attractive investment opportunities. The Funds will not do any direct investment opportunity sourcing and therefore is dependent on the Search Fund entrepreneurs to find attractive opportunities for the Funds to make investments.

Portfolio Companies. The acquisition of portfolio companies generally will require that the portfolio companies directly take on debt, and there is no guarantee that credit will be available at all, or on acceptable terms. Further, the technologies, products and markets of such acquired companies may not develop as anticipated, even after substantial expenditures of time and resources. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Typically, although a Fund may be represented by a member of the General Partner on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Funds or the General Partner, but will be affiliated with the associated Search Fund). Furthermore, the Funds intend to make minority, non-controlling investments in such portfolio companies, and there is no guarantee that the Funds will be able to secure or maintain a representative on a company's board of directors. Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

Uncertainty of Financial Projections. Financial and other information concerning the Fund's investments may only be available through certain sources, including the portfolio companies themselves and are likely to include assumptions of fact and opinions as to future events which Pacific Lake or the General Partner believes to be reasonable when made. There may be no consistent means of confirming the accuracy of such information. It may also be impractical or undesirable to carry out full time due diligence before an investment is acquired. The portfolio companies may have little or no previous credit histories. The inaccuracy of certain assumptions and general economic conditions, which are unpredictable, can have a materially adverse impact on the reliability of such projections. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from such projections.

Participation Limits. In light of the mechanics of the Search Fund model the Funds may not have the right to invest an amount that it would like to invest in every transaction. The Fund's ability to invest an appropriate amount in every acquisition company depends on many factors, including the size of the equity raise for that deal (which will vary deal by deal), the amount of additional equity needed to close the deal due to fallout from other investors, the number of units owned by the Fund in the search, and the Fund's relationship with the entrepreneurs. Certain Funds may encounter difficulty investing in high-performing companies outside of a broad auction process. Shareholders may decline to sell shares into a secondary share offering and therefore limit the supply of stock available to the Funds.

Lack of Diversification. The Funds may invest in a limited number of companies, sectors or regions. To the extent a Fund concentrates its portfolio company investments in a particular company, sector or region, its investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular company, section, or region. As a consequence, the aggregate return of a Fund may be adversely affected by the unfavorable performance of one or a small number of companies, sectors or regions in which the Fund has invested. In certain cases, a Fund may acquire significant interests in portfolio companies, which could further increase the vulnerability of a Fund's portfolio. Furthermore, to the extent that the capital raised for the Fund is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified. If the Fund's investments are concentrated in a few portfolio companies, affiliated portfolio companies or industries, any adverse change in one or more portfolio companies or industries could have a material adverse effect on the Fund's investments. Therefore, while this portfolio concentration may enhance total returns to the Partners, if any large position has a material loss, returns to Partners may be lower than if they had invested in a more diversified portfolio.

Small-Cap Companies Generally. The Funds invest in small-cap companies, which may involve a substantial degree of risk. As compared to larger companies, small-cap companies may have shorter operating histories; may offer a more limited range of services and have more limited markets and financial resources; may be more dependent on a smaller management group; may have smaller market shares; may have less predictable operating results; may be engaged in rapidly changing businesses; may be dependent on products or services subject to a greater risk of obsolescence; may be subject to other factors that may cause such companies to be affected to a greater extent by general economic trends and specific changes in markets, products and technology, and to be more vulnerable to the actions of competitors; or may be subject to less regulation (including because such companies are generally more likely to be privately held).

Availability of Investment Capital. A small-cap company may require additional rounds of capital infusions before such company reaches maturity. If the existing investors do not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the portfolio company and the face value of a Fund's original investment. The Funds do not intend to provide all necessary follow-on financing. Accordingly, third-party sources of financing will be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to a Fund. Furthermore, the Funds' capital is limited and may not be adequate to protect a Fund from dilution in multiple rounds of portfolio company financing.

Lack of Liquidity Within Investment Portfolio. The Funds' investment portfolio consists of investments in Search Funds and their target acquisition companies. The marketability and value of each such investment will depend upon many factors beyond the General Partner's control. Generally, investments made by the Funds are illiquid and difficult to value, and there is little or no collateral to protect an investment once made. At the time of a Fund's investment, a Search Fund or its acquisition company may lack one or more key attributes (*e.g.*, experience, proven technology, marketable product, complete management team or strategic alliances) necessary for success. There may be no readily available market for the Funds' investments, many of which will be difficult to value, and the disposal of a portfolio investment by a Fund may be prohibited or delayed many years from the date of initial investment for legal and/or regulatory reasons. The public market for such small-cap companies is extremely limited, which may adversely affect the development of such companies, the ability of the Funds to dispose of investments and the value of investment securities on the date of sale or distribution by a Fund.

Risks of Certain Dispositions. In connection with the disposition of an investment in a portfolio company or otherwise, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. It may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate, and under certain circumstances described in the Governing Documents, the General Partner may make distributions of cash or securities to the Investors that remain subject to recall for the payment (in whole or in part) of such contingent liabilities. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Funds. The market for the sale of interests in private companies can be volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by the Fund. In particular, the receptiveness of potential acquirers to the Fund's portfolio companies will vary over time and, even if a portfolio company investment is disposed of via a merger, consolidation or similar transaction, the Fund's stock, security or other interests in the surviving entity may not be marketable. Similarly, the receptiveness of the public market to initial public offerings by the Fund's portfolio companies may vary dramatically from period to period. An otherwise successful portfolio company may yield poor investment returns if it is unable to consummate an initial public offering at the proper time. Even if a portfolio company effects a successful public offering, the Fund or the portfolio company's securities typically will be subject to contractual "lock-up," securities law or other restrictions, which may, for a material period of time, prevent the Fund or its investors from disposing of such securities. There can be no guarantee that any portfolio company investment will result in a liquidity event via a merger, acquisition, initial public offering or otherwise, and there is a significant risk that the Fund's investments will yield little or no return. Generally, the investments made by the Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. In most cases, investments will be long term in nature and will require

many years from the date of initial investment before disposition. It is likely that the Fund will still hold some illiquid securities at the time the Fund commences dissolution, with the result that such securities may be distributed in-kind or sold for a price that reflects their illiquid nature (i.e., at a discount to what their value might otherwise be).

Non-Controlling Investments. The Funds hold non-controlling interests in portfolio companies and, therefore, may have a limited ability to protect its positions in such portfolio companies. However, as a condition to an investment in a portfolio company, appropriate rights generally are sought to protect a Fund's interests to the extent possible. There can be no assurance that such minority shareholder rights will be available.

Dependence on Entrepreneurs. The Funds' investments are dependent on the activities of the relevant entrepreneurs. The failure of an entrepreneur to successfully conduct the search for a target company or manage the operations of such company could have a material adverse impact on the performance of a Fund and its underlying investments. There is a risk that an entrepreneur will be unwilling or unable to meet his or her commitment to the relevant Search Fund or portfolio company, potentially including due to the existence of other business opportunities or for other reasons. Entrepreneurs generally will have little or no experience or industry reputation, and there can be no assurance that reliable and competent entrepreneurs will be identified and retained, or that any such entrepreneurs will perform in a manner consistent with the Funds' expectations. In addition, entrepreneurs may be subject to conflicts of interest or other demands on their time that could have an adverse effect on their performance.

Secondary Opportunities Right of First Refusal. The Funds' desire to make secondary investment opportunities in existing Search Fund operating companies could be constrained if the company and/or the existing shareholders hold rights of first refusal to purchase the securities of the operating company. The Funds may seek a secondary investment opportunity only to have that opportunity dissipate as the company and/or existing shareholders exercise such right of first refusal. This may result in a loss of time and expense by the Funds if it is unable to close the secondary transaction. There can be no assurance that the Funds will be able to successfully execute on every secondary opportunity they pursue.

Dependence on the Management Team. The Funds will be dependent on the activities of the Principals. The Funds will be relying on the management expertise of the Principals in identifying and administering the Funds' investments in Search Funds. Past investment performance by the Principals provides no assurance of future results. The loss of any individual Principal, particularly Jim Southern, could have a material, adverse effect on the Fund. Additional members may be admitted to the General Partner following a Fund's initial closing, and the Limited Partners will have no power to prevent any specific person from being admitted to the General Partner as a member thereof. If for any reason the Principals should cease to be involved in the investment management of the Funds, suitable replacements may be difficult to obtain, with the result that the performance of the Fund may be adversely affected. In addition, the Funds will depend on the Special Limited Partners, and there can be no assurance that any such Special Limited Partners will continue to assist the Funds. The loss of the services of any one or more Special Limited Partners could have an adverse effect on the Funds.

Global Market Forces. The Funds' investments are affected by global market forces, which at times may impair the ability to invest in and drive meaningful value creation with portfolio companies. Such global market forces may be the result of a turbulent economic environment during the business cycle that the Funds are investing in. There can be no assurance that the Funds will be able to invest in the relevant Search Fund or portfolio companies that are targeted nor is there assurance that the Funds will be able to drive meaningful value creation.

General Economic and Political Conditions; Changes in Environment. Changes in legal, tax, fiscal and regulatory regimes may occur during the life of the Funds that may have adverse effects on the Funds. A Fund may not be permitted to, or be able to, make adjustments in its structure or investment program in order to adapt to such changes. The General Partner will have the exclusive right and authority (within the limitations set forth in each Fund's Governing Documents) to determine the manner in which the Funds shall respond to such changes, and Investors generally will have no right to withdraw from the Funds or to demand specific

modifications to the Funds' operations in consequence thereof. Interest rates, inflation, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Funds. Instability in the securities markets may affect the value of each Fund's portfolio company investments, as well as the length of time such investments are held. A sustained period of inactivity and/or low valuations in the public equity markets could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved in comparison with historical values, which would reduce the returns that could be achieved by the Funds.

Force Majeure. Portfolio company investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to a Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or the investments of a Fund specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to a Fund, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Funds and their investments. Political unrest, war and acts of terrorism may also increase the risks inherent in the Funds' investments. Due to the illiquidity of the Funds' investments, the Funds will have limited ability to adapt to any such changes in the economic environment or mitigate any corresponding losses. Prospective investors are particularly cautioned that the investment sourcing, selection, management and liquidation strategies and procedures exercised in the past may not be successful, or even practicable, during the Funds' term.

Legal, Tax & Regulatory Risks. Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds, the portfolio companies or Investors. The Fund may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of a variety of jurisdictions. There can be no assurance that regulations promulgated in jurisdictions where the Funds invest will not adversely affect the Funds or the portfolio investments.

Audit Risks. It is possible that an audit of the Funds' tax returns by the U.S. Internal Revenue Service (the "Internal Revenue Service"), if conducted, may result in an audit of an Investor's U.S. tax return, if any. Investors may also be bound, in certain circumstances, to decisions taken in relation to each Fund's tax return and settlements that the General Partners agree to with the Internal Revenue Service.

Investors and prospective Investors are provided with Governing Documents that contain a detailed description of the material risks related to an investment in the Funds, and are advised to carefully review all risk factors set forth in the relevant Governing Documents. There is no assurance of any distribution to Investors prior to, or upon, liquidation of a Fund.

ITEM 9 – DISCIPLINARY INFORMATION

Pacific Lake is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of Pacific Lake or the integrity of Pacific Lake's management. Pacific Lake has no legal or disciplinary information to disclose at this time.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described in Item 6, the General Partners maintain investments in the Fund and are also entitled to receive performance based compensation from the Funds, which may in certain circumstances create a conflict of interest.

From time to time, certain Funds may hold or acquire positions in portfolio companies in which other Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which one or more Funds have invested may not necessarily be pro rata based on existing ownership in such companies. The Funds may have divergent interests with respect to exit strategies from such investments, restructuring the capital structure or business of such companies or other matters affecting the investment in such companies. To the extent that multiple Funds hold an interest in the same company, disposition opportunities with respect to that investment shall be liquidated at the same time and on the same economic terms, unless otherwise required by law or regulation or the terms of the Funds' Governing Documents or otherwise permitted by the Funds' Advisory Board.

As described elsewhere in this Brochure, investments by Pacific Lake may include board representation and typically include customary shareholder rights. As such, Pacific Lake's management persons may have management roles with portfolio companies. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of Pacific Lake and such individual's duties as a director or officer of such portfolio company.

Special Limited Partners may also sit on the board of portfolio companies and may, on a limited basis, advise Pacific Lake on the business of the portfolio companies. Pacific Lake does not view their roles as presenting a potential conflict of interest but will monitor such activity with respect to portfolio companies.

Pacific Lake does not recommend or select other investment advisers for the Funds.

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

Pacific Lake's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to Pacific Lake's "Access Persons." Access Persons include any member, officer or director of Pacific Lake and employee who, in relation to the Funds: (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings; or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. In addition, certain other individuals, such as temporary employees may also be deemed to be Access Persons by the Chief Compliance Officer.

The Code sets forth a standard of business conduct that takes into account Pacific Lake's status as a fiduciary to the Funds and requires Access Persons to place the interests of Funds above their own interests and the interests of Pacific Lake. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Pacific Lake's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, Pacific Lake's Access Persons must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

The Code also describes Pacific Lake's duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) the Funds. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, employees of Pacific Lake who possess non-public information, whether or not it is material, must not trade in the securities affected by such information, must not disclose such information to anyone who does not have a legitimate need to know it and must immediately disclose such information to the Chief Compliance Officer.

Investors or prospective Investors may obtain a copy of the Code by contacting the Chief Compliance Officer.

As explained in Item 10 above, the General Partners, which are owned by the Principals and are related persons to Pacific Lake, serve as the general partners of the Funds. The General Partners also commit capital to the Funds, and as a result every investment made by a Fund involves a purchase of securities whereby related persons of Pacific Lake acquire an indirect interest in such securities.

In certain cases, commitments to Funds made by Pacific Lake's Principals and General Partners are not subject to the management or performance-based fees described in Item 5 above. The fact that Pacific Lake's Principals, General Partners, and Access Persons have financial interests in the Funds could create a potential conflict in that it could cause Pacific Lake to make different investment decisions than if such parties did not have such financial ownership interests. However, Pacific Lake believes that these financial interests align Pacific Lake's and the General Partners' incentives with Investors.

As noted in Item 6 above, performance-based compensation (“Carried Interest”) may create an incentive for Pacific Lake to make investments that are riskier or more speculative than in the absence of such performance-based compensation.

Pacific Lake, or an affiliate, may offer the opportunity to co-invest in one or more portfolio companies of any Fund to private Investors. However, participation in co-investment opportunities either directly or through participation in a co-investment vehicle may not be offered to all Investors. To the extent such opportunities are offered, it will be in compliance with the applicable Governing Documents.

Pacific Lake seeks to address these potential conflicts through regular monitoring of the Funds’ portfolios for consistency with objectives, strategies, and target capacity. Further, the Principals carefully consider the risks involved in any investments and Pacific Lake provides extensive disclosure to Investors regarding the potential risks that come with an investment in the Funds. As stated above, the Code requires Access Persons to place the interests of the Funds over their own or those of Pacific Lake, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

In addition, each of the Funds is authorized to have an advisory board (each an “Advisory Board”). Each Advisory Board is appointed by the respective Fund’s General Partner and is comprised of certain Investors in the Fund. The Advisory Board provides such advice and counsel as is requested by the General Partners in connection with potential conflicts of interest and other Fund matters.

Pacific Lake requires that Access Person’s transactions in certain “reportable securities” (as defined in Section 202(a)(18) of the Advisers Act) be pre-cleared with the Chief Compliance Officer. Further details are available in the Code which is available to Investors upon request. Access Persons are prohibited from investing in portfolio companies outside of their indirect interest through the Fund or General Partner.

Pacific Lake maintains a “Restricted List” with the names of issuers of securities about which Pacific Lake or its affiliates (including Access Persons) have learned material, non-public information. Access Persons are strictly prohibited from trading securities on the Restricted List.

In addition, Pacific Lake receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer or his designee reviews Access Persons’ personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

In certain cases, more than one Fund may invest in a given portfolio company. This may cause a conflict of interest in that Pacific Lake may have an incentive to allocate particularly attractive investment opportunities to the Fund that is expected to generate carried interest or to permit that Fund to exit investments at a time that would maximize its returns, potentially to the detriment of the other Fund. Each Fund’s Governing Documents provide a detailed explanation as how Pacific Lake will manage such potential conflict. In addition, Pacific Lake and the General Partners seek to ensure that all investments made by Funds are fairly and equitably allocated.

ITEM 12 – BROKERAGE PRACTICES

Pacific Lake invests in private transactions that are not executed on an exchange and does not utilize brokers. Notwithstanding the above, Pacific Lake may in the future utilize brokers and investment banks in connection with the purchase and/or sale of portfolio companies. This is typically done on a limited basis to remove restrictions from the securities and to help liquidate the securities in the open market. Any such purchases or sales will be executed in accordance with best execution. Although Pacific Lake generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Pacific Lake does not participate in any soft dollar arrangements.

As noted in Item 11, in certain cases more than one Fund may invest in a given portfolio company. This may cause a conflict of interest in that Pacific Lake may have an incentive to allocate particularly attractive investment opportunities to the Fund that is expected to generate carried interest or to permit that Fund to exit investments at a time that would maximize its returns, potentially to the detriment of the other Fund. In certain circumstances Pacific Lake may determine that a cross-fund transaction is in the Funds best interest. Such transactions typically require approval by the advisory board of each fund. Each Fund's Governing Documents provide a detailed explanation as how Pacific Lake will manage such potential conflicts. In addition, Pacific Lake and the General Partners will seek counsel of a Funds' advisory board to ensure that all investments made by Funds are fairly and equitably allocated.

ITEM 13 – REVIEW OF ACCOUNTS

Pacific Lake focuses on investments primarily in private equity. All investments are under continuous review by the Principals of Pacific Lake. Such reviews include a review of investment policy, the suitability of the investments used to meet policy objectives, and investment objectives. Pacific Lake considers, among other things, investment performance, the portfolio's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

As applicable, Investors in the Funds will receive: (i) quarterly unaudited financial statements of the Funds; (ii) annual audited financial statements audited by a nationally recognized, independent public accounting firm; (iii) an annual financial report; and (iv) annual tax information regarding the Fund necessary for the completion of each Investor's tax return.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Pacific Lake sponsors the formation of each Fund, and Pacific Lake and its affiliates do not engage or compensate third party referral agents to solicit new clients. Any cash payments to solicitors of clients would be made in accordance with Rule 206(4)-3 under the Advisers Act.

ITEM 15 – CUSTODY

In accordance with Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), Pacific Lake is deemed to have custody of Fund assets by virtue of their status as investment manager or that an affiliate of Pacific Lake serves as the general partner of each Fund. The qualified custodian is Silicon Valley Bank, Santa Clara, CA.

To ensure compliance with the Custody Rule, Pacific Lake will ensure that the Funds are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (“PCAOB”). The audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles and distributed to each Investor within 120 days of each Fund’s fiscal year end.

Investors in the Funds receive periodic statements from Pacific Lake. These statements should be carefully reviewed. Investors are urged to compare such statements to the information provided in the audited financial statements provided by the Funds’ auditor.

ITEM 16 – INVESTMENT DISCRETION

In accordance with the terms and conditions of the applicable Governing Documents and subject to the direction and control of the General Partner of each Fund, Pacific Lake has discretionary authority to manage the investment activities on behalf of the Funds. As explained in Item 4 above, each Fund's investment strategy is set forth in detail in such Fund's confidential private placement memorandum. Investors do not have the ability to impose limitations on Pacific Lake's discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, prospective investors in the Funds are subject to the applicable Governing Documents, which include a power of attorney.

ITEM 17 – VOTING CLIENT SECURITIES

Pacific Lake understands and appreciates the importance of proxy voting. Pacific Lake has adopted proxy voting and procedures that are designed to ensure that when Pacific Lake or a General Partner votes proxies with respect to securities held on behalf of Funds, such proxies are voted in the Funds' best interests, in the judgment of Pacific Lake to the extent reasonably practicable. The procedures also require that Pacific Lake identify and address conflicts of interest between Pacific Lake, its related persons and its Funds. If a material conflict of interest is identified, Pacific Lake will determine whether voting in accordance with the guidelines set forth in the procedures is in the best interests of its Funds or whether taking some other action may be more appropriate.

It should be noted that given Pacific Lake's business focuses on private equity investing, it is anticipated that it will be extremely rare that Pacific Lake will receive proxies with respect to securities held on behalf of Funds. However, there are situations where private companies could have proxy issues (e.g. a private company needs approval of investors to make changes to board of directors, auditors, etc.). In such situations, Pacific Lake or a General Partner would have authority to vote proxies on behalf of Funds. In such cases, each proxy voting proposal received by a Fund is thoroughly reviewed in order to ensure that each such vote is voted in the best interests of the Fund holding the applicable securities.

If a material conflict is identified, Pacific Lake will determine what course of action is in the best interests of the affected Investors (which may include utilizing an independent third party to vote such proxies). Further, Pacific Lake will determine whether it is appropriate to disclose the conflict to affected Investors and give such Investors the opportunity to vote the proxies in question themselves.

The Chief Compliance Officer or his designee delivers proxies in accordance with instructions related to such proxy. Pacific Lake keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each client request for proxy voting records and Pacific Lake's response for the previous five years.

Investors generally do not have the ability to direct proxy votes. Investors may obtain additional information regarding how Pacific Lake voted proxies and may obtain a copy of Pacific Lake's proxy voting policies and procedures by contacting the Chief Compliance Officer.

ITEM 18 – FINANCIAL INFORMATION

Pacific Lake does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Pacific Lake is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Funds or Investors.

Pacific Lake has not been the subject of any such bankruptcy petition.