

**Item 1. Cover Page**

**Spring Lake Equity Management LLC**

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**March 30, 2021**

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

Spring Lake Equity Management LLC is registered as an “investment adviser” with the SEC. Registration with the SEC does not imply any level of skill or training.

Additional information about Spring Lake Equity Management LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). All discussions in this Brochure of the terms, investment strategies, fees and risks applicable to the pooled investment vehicles advised by Spring Lake Equity Management LLC are qualified in their entirety by reference to the organizational and offering documents applicable to such vehicle.

**Item 2. Material Changes**

This Brochure (Form ADV, Part 2A) dated March 30, 2021 includes changes from our Brochure dated March 23, 2020. We call your attention to:

**Item 4.** This item has been updated to reflect one of the Spring Lake Funds and one of the Spring Lake GP Entities made their final distributions in 2020 and will be dissolved in 2021. This Item has also been updated to reflect that Spring Lake Equity Management LLC is now sub-advising one (formerly, two) funds principally managed by Tudor Investment Corporation.

**Item 5.** This Item has been updated to reflect that Spring Lake Equity Management LLC is now sub-advising one (formerly, two) funds principally managed by Tudor Investment Corporation.

**Item 8.** This Item has been updated to provide additional information about investment risks associated with Covid-19.

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#### **Item 4. Advisory Business**

Spring Lake Equity Management LLC (“Spring Lake Equity Management” or “We”) is a limited liability company primarily formed for the purpose of managing private equity funds. These funds invest in operating companies, generally companies whose equity securities are privately held. A Fund (as defined below) may temporarily invest cash in short-term instruments such as money market instruments, certain government securities or bank certificates of deposit.

We began operations in July 2013.

We are the non-discretionary adviser to several private equity funds managed by affiliated limited liability companies of which we are the managing member. At present, those funds are--

- Spring Lake Equity Partners LLC (“Spring Lake Equity Partners”)
- Spring Lake Equity Partners II LLC (“Spring Lake Equity Partners II”)
- Spring Lake/MM Co-Investment LLC (“Spring Lake/MM Co-Investment”)
- Spring Lake/MM Co-Investment II LLC (“Spring Lake/MM Co-Investment II”)
- Spring Lake/OIT Co-Investment LLC (“Spring Lake/OIT Co-Investment”). The Fund made its final distribution in 2020 and will be dissolved in 2021.

We refer to these funds collectively as the “Spring Lake Funds” and individually as a “Fund.” The co-investment Funds are vehicles through which certain persons co-invested in a company in which Spring Lake Equity Partners or Spring Lake Equity Partners II also invested.

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

We also provide certain sub-advisory services to Tudor Ventures III, LP (“Tudor Fund III”), managed by Tudor Investment Corporation (“Tudor”). The Spring Lake Funds and Tudor Fund III are collectively referred to as “Clients” or the “Funds.”

Affiliates that serve as managing members of the Spring Lake Funds are:

- Spring Lake Equity GP LLC (“Spring Lake Equity GP”) serves as managing member of Spring Lake Equity Partners.
- Spring Lake Equity II GP LLC (“Spring Lake Equity II GP”) serves as managing member of Spring Lake Equity Partners II.
- Spring Lake/MM Co-Investment GP LLC (“Spring Lake/MM Co-Investment GP”) serves as managing member of Spring Lake/MM Co-Investment.
- Spring Lake/MM Co-Investment II GP LLC (“Spring Lake/MM Co-Investment II GP”) serves as managing member of Spring Lake/MM Co-Investment II.
- Spring Lake/OIT Co-Investment GP LLC (“Spring Lake/OIT Co-Investment GP”) serves as managing member of Spring Lake OIT Co-Investment. The Fund made its final distribution in 2020 and together with Spring Lake/ OIT Co-Investment GP will

be dissolved in 2021.

We refer to these entities collectively as the “Spring Lake Equity GP Entities.” We are the managing member of each of the Spring Lake Equity GP Entities, and, in the capacity, control each of them.

Spring Lake Equity Management and each of the Spring Lake Equity GP Entities share office space and personnel. They have a common Code of Ethics and Chief Compliance Officer. The Spring Lake Equity GP Entities, the Spring Lake Funds, and the Spring Lake Equity Management do business under the name “Spring Lake Equity Partners.”

Our principal owners are Robert F. Forlenza (“Mr. Forlenza”) and Carmen J. Scarpa Jr. (“Mr. Scarpa”). Mr. Forlenza and Mr. Scarpa left Tudor in July 2013 to operate Spring Lake Equity Management and Spring Lake Equity GP. At Tudor, Mr. Forlenza and Mr. Scarpa were principal members of the Tudor Growth Equity Group, the private equity arm of Tudor. WestRiver Management is also a direct minority owner of Spring Lake Equity Management.

Our management services are tailored to the objectives of each Fund and reflect any restrictions set forth in a Fund’s governing documents or other written instructions.

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

Currently, each of Spring Lake Equity Partners and Spring Lake Equity Partners II has a four-person advisory committee (as to each Fund, the “Advisory Committee” and as to both such Funds, the “Advisory Committees”). Spring Lake Equity GP and Spring Lake Equity II GP select the members of the respective Advisory Committees. The current members of the two Advisory Committees are identical and are representatives of West River Equity and the Anchor Investors.

The principal purpose of each Advisory Committee is to provide such advice and counsel to Spring Lake Equity GP and Spring Lake Equity II GP as may be requested from time to time. Each of Spring Lake Equity GP and Spring Lake Equity II GP expect to consult the pertinent Advisory Committee in the ordinary course on potential investments, although all decisions with respect to such investments remain vested in Spring Lake Equity GP and Spring Lake Equity II GP. With respect to each of Spring Lake Equity Partners and Spring Lake Equity Partners II, the approval of its Advisory Committee is required for the following:

- Any extensions of the term of a Fund
- Any extensions of the investment period of a Fund
- Any investments in any single portfolio company in excess of the diversification limit of a Fund
- Resumption of the investment period upon a key person event
- The particular “carried interest” percentage applicable to any co-investment opportunities

relating to a Fund

- Any increase in the total capital commitments to of a Fund; and
- Any other matters specifically requiring the approval of the Advisory Committee as provided in the relevant LLC Agreement or any other relevant agreement to which a Fund, its managing member or we are a party.

Except with respect to the approval of any investments in any single portfolio company in excess of the diversification limit, as to which the unanimous approval of all persons then serving on a relevant Advisory Committee is required, any action of each Advisory Committee requires the approval of a majority of the persons then serving on the Advisory Committee.

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

Spring Lake Equity Management provides nondiscretionary advisory services to the Spring Lake Equity GP Entities, but does not itself have regulatory assets under management, as defined by the Securities and Exchange Commission, because we do not act beyond providing our investment advice. Each of the Spring Lake Equity GP Entities has discretionary authority with respect to the Spring Lake Fund for which it serves as managing member.

## **Item 5. Fees and Compensation**

We receive a management fee from the Spring Lake Funds based on either capital committed during the investment period or cost basis of the portfolio after the investment period. Each of the Spring Lake Equity GP Entities has the right to receive performance-based compensation in the form of a “carried interest” with respect to the Spring Lake Fund for which it serves as managing member. Fund investors may negotiate with respect to the management fee and “carried interest” paid with respect to their interests in a Spring Lake Fund. The Spring Lake Equity GP Entities are permitted to enter into a “side letter” with an investor with respect to economic, as well as other, terms. See Item 11 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” / “Certain Potential Conflicts.”)

The Spring Lake Equity GP Entities generally make capital calls on investors in the Spring Lake Funds sufficient to pay our management fees and, through our control over the Spring Lake Equity GP Entities, we cause the Spring Lake Funds to pay those fees to us.

With respect to the Spring Lake Funds, our fees and compensation and that of the Spring Lake Equity GP Entities are set forth in investment management agreements, Fund governance documents, or “side letters” with some investors.

We do not receive a management fee from Tudor Fund III. Mr. Forlenza and Mr. Scarpa, and certain additional Spring Lake personnel, are special limited partners in the general partner of Tudor Fund III, which receives a performance fee or “carried interest” based on the performance of Tudor Fund III.

We generally are reimbursed by a portfolio company held by the Spring Lake Funds for travel and lodging expenses incurred by directors appointed by a Spring Lake Fund.

### *Third-Party Fees and Expenses*

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

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

Expenses that benefit more than one Spring Lake Fund are allocated among the benefitting Spring Lake Funds based on measures that are intended to estimate relative benefit, including, in some instances, relative assets and relative investment size. However, our co-investment funds generally are not expected to pay broken deal expenses, because such funds are generally formed to invest in a specific security and are not formed until it has been determined that the investment will be going forward. If the investment does not go forward (that is, there is a broken deal), there generally is not a co-investment fund that could share in the costs that have been incurred in exploring the transaction. Similarly, expenses that benefit a Fund and us (or a Spring Lake Equity GP Entity) are allocated between that Fund and us based on measures that are intended to estimate relative benefit.

### **Item 6. Performance Fees and Side by Side Management**

Spring Lake Equity GP Entities, or the principals of Spring Lake Equity Management, receive, or have the potential to receive, compensation based on the performance of the Spring Lake Funds and Tudor Fund III. This arrangement creates an incentive for us to cause a Client to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive may be tempered by the fact that losses will reduce a Client's performance, and thus potentially reduce the compensation paid to the principals of Spring Lake Equity Management or our affiliates. As relates to the co-investment Funds, this conflict is

substantially mitigated by the fact that they are invested in a single portfolio company that is identified at the time of the investment.

#### **Item 7. Types of Clients**

Spring Lake Equity Management provides investment advice solely to private equity funds.

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

##### **Methods of Analysis**

We generally conduct a fundamental analysis of a potential portfolio company, and also seek to evaluate the quality of its management and prospects in its industry in determining whether to make an investment. Our analysis regarding potential disposition of investments is to seek to assess the prospects for future increase in value relative to the value that could be expected upon a present disposition.

The primary focus of the investment activity of the Tudor Fund III will be on realization of value from existing investments. Our analysis regarding potential disposition of investments is to seek to assess the prospects for future increase in value relative to the value that could be expected upon a present disposition.

##### **Investment Strategy**

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

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

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

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

## **Risk of Loss**

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

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

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

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

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

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

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

***Reliance on Management of Portfolio Companies.*** There can be no assurance that portfolio company management will operate successfully. Although we will monitor the performance of each investment, the Strategy relies upon management to operate the portfolio companies on a day-to-day basis.

***Considerations Arising from Provision of Managerial Assistance.*** We and the Spring Lake Equity GP Entities generally seek to use our commercially reasonable efforts to structure a Fund's investments so that the Fund qualifies as a "venture capital operating company" ("VCOC") within the meaning of regulations promulgated under the Employee Retirement Income Security Act ("ERISA"), or limit investment by "benefit plan investors" (within the meaning of Department of Labor regulations as modified by Section 3(42) of ERISA) to less than 25% of each class of equity interests in a Fund. Qualification as a VCOC, requires rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of a Fund's portfolio companies. Funds that we manage typically have the right to designate directors to serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders and its creditors, including claims that the Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in

certain liabilities in the event of the bankruptcy or reorganization of a portfolio company, could result in claims against a Fund if the designated directors violate their fiduciary or other duties to a portfolio company, or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles, and could expose a Fund to claims that they have interfered in management to the detriment of a portfolio company. While we and the Spring Lake Equity GP Entities manage the Funds in a way that minimizes the exposure to these risks, the possibility of successful claims cannot be precluded.

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

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

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

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

***Communications and Media Regulatory Considerations.*** Certain communications and media companies are subject to extensive U.S. federal, state and local regulatory requirements. Certain regulations that are intended to limit the concentration of ownership and control of

communications and media companies may prevent a Fund from making certain investments that it would otherwise make. Other regulations may cause a Fund to incur substantial additional costs or lengthy delays in connection with the completion or disposition of an investment.

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

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

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

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

**Potential Regulation of the Private Equity Industry.** From time to time, there has been significant discussion regarding greater governmental scrutiny and/or potential regulation of the private equity industry, as private equity firms become more significant participants in the broad-based economy. It is uncertain as to what form and in what jurisdictions such enhanced scrutiny and/or regulation on the private equity industry may ultimately take. Therefore, there can be no assurance as to whether any such regulatory scrutiny or initiatives will have an adverse impact on the private equity industry, including the ability of a Fund to achieve its objectives.

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

**Certain Tax Considerations.** Legislative proposals that are generally directed at the taxation of compensatory partnership interests, primarily targeted towards so-called "carried interest" arrangements have been and continue to be considered. Such legislation could result in, among other things, the carried interest paid by Funds to our affiliates being taxed at ordinary income tax rates and subject to self-employment taxes, which may adversely our ability to attract and retain

certain investment professionals. It is uncertain whether or in what form any such legislation may be enacted.

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

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

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

#### **Item 9. Disciplinary Information**

We have no information to report.

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

We are the managing member of each of the Spring Lake Equity GP Entities. See Item 4 (“Advisory Business”).

As reflected in Item 4 and Item 5, we provide sub-advisory services with respect to Tudor Fund III.

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

We have adopted a Code of Ethics (the “Code”) designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”). The Code establishes a standard of conduct that reflects Spring Lake Equity Management’s and our employees’ fiduciary obligations to Clients and requires compliance with the federal securities laws. The Code addresses, among other topics, employee personal securities trading, use of confidential information, use of material non-public information and gifts and gratuities. Our employees are required to obtain approval in advance for some securities transactions, including the purchase of shares in an initial public offering or in a private offering, and to report most securities transactions and holdings. Employees are allowed to purchase an interest in a private offering only if we determine that none of our Clients wishes to do so. Because the Funds typically do not trade in brokered securities, employees generally are permitted to purchase and sell publicly-traded securities, since there is no conflict of interest present. Our employees also are required to report promptly any violation of the Code to our Chief Compliance Officer or a designee.

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

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

Spring Lake Equity Management is currently providing non-discretionary services to five Spring Lake Funds and sub-advising with respect to Tudor Fund III. Spring Lake Equity Management

and its principals will devote such time to the management of each Client that they deem appropriate, and there is no obligation on their part to devote any particular amount of time to the management of any Client. We believe that we have sufficient time to manage each of these Clients, but the potential exists for there to be a conflict between or among Funds if our responsibilities require more time than we currently anticipate.

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

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

One Fund that we manage may invest in the same portfolio company as another Fund that we manage. In particular, as between Spring Lake Equity Partners and Spring Lake Equity Partners II, after the reserves in Spring Lake Equity Partners for follow-on investments in Spring Lake Equity Partners' portfolio companies have been exhausted, Spring Lake Equity Partners II may, with the approval of its Advisory Committee, invest alongside Spring Lake Equity Partners or make follow-on investments in Spring Lake Equity Partners portfolio companies. Spring Lake Equity Partners and Spring Lake Equity Partners II have invested side-by-side in a portfolio company on one occasion to date.

Tudor Fund III has completed its investment phase. It is also possible, although unlikely, that Spring Lake Equity II could invest in a portfolio company on which we are advising for Tudor Fund III.

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

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

Spring Lake Equity GP and Spring Lake Equity II GP have entered "side letters" with the Anchor Investors that provide those investors with, among other things, the right to participate in co-investment opportunities, if and as they arise, on a priority basis, pro rata based on an Anchor Investor's respective capital commitments to the particular Spring Lake Fund. Spring Lake Equity

GP or Spring Lake Equity II GP may also provide other investors, including but not limited to investors which make significant capital contributions (“Major Investors”), with similar co-investment opportunities, but absent an agreement, investors generally do not have a right to participate in any co-investment opportunity and do not have priority in relation to any other investors or Clients. Spring Lake Equity GP Entities and we may consider our own interests when allocating co-investment opportunities to investors who have not entered a “side letter” addressing co-investment opportunities.

An investor making a co-investment is expected to agree to provide Spring Lake Equity GP, Spring Lake Equity II GP or an affiliate with a carried interest applicable to its investment in an amount to be determined by the applicable Advisory Committee of the particular Spring Lake Fund. We have created three co-investment funds since we registered as an investment adviser. The co-investment funds each pay us an advisory fee and compensate an affiliated Spring Lake Equity GP Entity through a “carried interest.”

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

Spring Lake Equity Partners is no longer in its investment phase and is unlikely to generate additional co-investment opportunities. Spring Lake Equity Partners II is in its investment phase and may generate future such opportunities.

## **Item 12. Brokerage Practices**

Clients invest principally in private companies and do not use securities broker-dealers to purchase securities on behalf of Clients. If a Client were to need the services of a securities broker-dealer, we or an affiliate would retain a broker-dealer that we expected would be able to provide best execution with respect to the transaction.

## **Item 13. Review of Accounts**

After an investment is made by a Client, we continually (and WestRiver Management on occasion with respect to the Spring Lake Funds) monitor the financial, operational and strategic performance of a portfolio company along with current industry and financial market conditions to optimize exit opportunities.

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

Reports to the beneficial owners of the Tudor Fund III are made by the principal manager, Tudor.

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

We do not pay for Client referrals and are not compensated for making such referrals.

We do not currently have an arrangement with a third-party to assist us in the marketing of Fund interests. Both Spring Lake Equity Partners and Spring Lake Equity Partners II are now closed to additional investors. During 2019, Spring Lake Equity Partners II had retained Hamilton Miller Investments, LLC (“Hamilton Miller”), a registered broker-dealer, to assist with marketing interests in that Fund.

**Item 15. Custody**

We have custody of the assets of the Spring Lake Funds because affiliated Spring Lake Equity GP Entities have custody of assets of Spring Lake Funds. Each of the Spring Lake Funds has contracted for an audit conducted by an independent accounting firm subject to the oversight of the Public Company Accounting Oversight Board. We distribute copies of the Spring Lake Funds’ audited financials on an annual basis, within 120 days of the Funds’ fiscal year end. We do not have custody of any assets of the Tudor Fund III.

**Item 16. Investment Discretion**

Our services with respect to Clients are nondiscretionary.

**Item 17. Voting Client Securities**

We advise Spring Lake Equity GP Entities with respect to voting portfolio securities held by funds for which they are the managing member and have a policy reasonably designed to ensure that we vote in the best interest of the Spring Lake Funds. In the event an opportunity to vote portfolio securities is identified as presenting a material conflict of interest between Spring Lake Equity Management (or its affiliates) and any of the Spring Lake Funds or between Funds, we will consult counsel.

The principal manager of Tudor Fund III not Spring Lake Equity Management, votes portfolio securities held by the Tudor Fund III.

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

**Item 18. Financial Information**

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

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

Not applicable.