



Form ADV Part 2A: Firm Brochure

Activant Capital Group LLC

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This brochure provides information about the qualifications and business practices of Activant Capital Group LLC. If you have any questions about the contents of this brochure, please contact Neeta Singh, Chief Compliance Officer, 203-489-9080. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Activant Capital Group LLC is also available on the SEC's website at: www.adviserinfo.sec.gov.

Any reference to Activant Capital Group LLC as a "registered investment adviser" or as being "registered" does not imply a certain level of skill or training.

THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

Item 2: Material Changes

This brochure contains information about Activant Capital Group LLC upon its initial application to register as an investment adviser with the SEC. In the future, this Item will summarize the material changes, if any, made to this brochure as part of our annual update.

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Item 4: Advisory Business

Activant Capital Group LLC (“Activant Capital”), a Delaware limited liability company, is a private investment management firm. Activant Capital and its affiliated investment advisers (defined below and collectively the “Affiliated Advisers”) provide discretionary investment management services to pooled investment vehicles such as private investment partnerships, special purpose entities, and co-investment vehicles (limited partners and/or shareholders in the private funds, co-investment vehicles, and special purpose entities are referred to as “Fund Investors” or “Limited Partners”). The Affiliated Advisers together with Activant Capital are collectively referred to as the “Advisers,” “Activant,” “we,” “us,” or “our.”

Each Affiliated Adviser (i.e., Activant Ventures Management, LLC, Activant Ventures Advisors I, LLC, and Activant Ventures Advisors II, LLC) is a relying adviser that is registered under the Investment Advisers Act of 1940 pursuant to the umbrella registration of Activant Capital, the filing adviser. This Brochure also describes the business practices of the Affiliated Advisers or relying advisers which operate as a single advisory business together with Activant Capital.

Formed in November 2012, Activant is principally owned by the founding partner, Steven Sarracino. Activant pursues a growth-equity investment strategy that intends to invest primarily in best-of-breed software, internet, internet of things (“IoT”), and data-centric businesses. Utilizing its operational and industry expertise, Activant will strive to help portfolio companies drive revenue and profitability. When selecting prospective investment targets we aim to look for strong topline growth, industry leadership, and outstanding management teams. Investment decisions are typically approved by an investment committee (the “Investment Committee”) that is chaired by Mr. Sarracino. Additional information about Activant’s investment strategies and associated risks can be found in greater detail below in **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss**.

The private funds include Activant Ventures I, LP and Activant Ventures II, LP (collectively, the “Private Funds”) which are Delaware limited partnerships. Activant Ventures Advisors I, LLC, a Delaware limited liability company, serves as the General Partner of Activant Ventures I, LP. Activant Ventures Advisors II, LLC, a Delaware limited liability company, serves as the General Partner of Activant Ventures II, LP. Activant Ventures Management, LLC a Delaware limited liability company serves as the investment manager of the private funds, Activant Ventures I, LP and Activant Ventures II, LP. Mr. Sarracino is the sole member and manager of Activant Ventures Management, LLC, Activant Ventures Advisors I, LLC, and Activant Ventures Advisors II, LLC.

The special purpose entities include Activant Contribution, LLC, Activant Investment II, LLC, Activant Holdings III, LP, Activant Holdings IV, LP, Activant Holdings V, LP, Activant WA Holdings, LP, Activant RN Holdings, LP, Activant RN-C Holdings, LP, and Activant RN-A Holdings, LP (each, a Delaware limited partnership, and collectively, the “Special Purpose Entities”) were formed to make single investments in technology enabled companies. The Special Purpose Entities at times invest in portfolio companies alongside the Private Funds and Co-Investment Vehicle Clients. Activant Capital Group LLC or Mr. Sarracino serves as the General Partner or manager of the Special Purpose Entities. Mr. Sarracino is the sole member and manager of Activant Capital Group LLC.

The co-investment vehicles include Activant SK CI Holdings, LP and Activant RN CI Holdings, LP (collectively, the “Co-Investment Vehicle Clients”) which are organized as Delaware limited partnerships. The Co-Investment Vehicle Clients were organized and structured to facilitate investments by third party co-investors alongside the Private Funds and Special Purpose Entities. Activant Ventures Advisors I, LLC serves as the General Partner to the Co-Investment Vehicle Clients. Mr. Sarracino is the sole member and manager of Activant Ventures Advisors I, LLC.

The Private Funds, Special Purpose Entities, and Co-Investment Vehicle Clients are collectively referred to as “Clients.” In providing services to the Clients, among other things, Activant manages assets in accordance with the terms of the applicable governing documents. Activant provides investment advice directly to the Private Funds, the Special Purpose Entities, and the Co-Investment Vehicle Clients and not individually to a client’s Fund Investors or Limited Partners. Investment restrictions for Clients are generally established in the applicable governing document

such as a limited partnership agreement or private placement memorandum (collectively “Fund Governing Documents”).

Activant may advise other private funds, co-investment vehicles, and special purpose entities in the future. Activant, on its own behalf and on a private fund’s behalf, has (without Fund Investor approval) entered into side letter agreements (“Side Letters”) with existing or prospective Limited Partners. Such Side Letters may establish rights under, or alter or supplement the terms of, the Governing Documents between the parties to such Side Letters and the Client, and may establish investment or other terms with such Limited Partners that are more favorable than the terms available to other Limited Partners.

As of March 31, 2018, Activant had regulatory assets under management of approximately \$261,244,443, all of which are managed on a discretionary basis.

Item 5: Fees and Compensation

Activant’s compensation for the investment advisory services it provides to Clients is paid as an asset-based management fee, a commitment-based management fee, a carried interest allocation of realized gains (which at times is subject to a preferred return), as investment income, or as a combination of these compensation structures (e.g., some Clients pay an asset-based management fee and a commitment-based management fee in addition to carried interest). Clients’ and Limited Partners’ fees to Activant vary among Clients and Limited Partners. The fees and expenses applicable to Clients and Fund Investors are set forth in detail in each of the applicable Fund Governing Documents. A brief summary of fees and expenses is provided below.

Management Fee

Private Funds pay Activant or an affiliate a management fee for each fiscal quarter in an amount equal to the aggregate capital commitments of all Limited Partners as of the first day of each such quarter (regardless of whether such Capital Commitments have been drawn down) multiplied by a percentage detailed in the respective Fund Governing Documents. At the conclusion of the investment period the management fee will include a quarterly fee applied to the combined value of (1) the cost basis or fair market value (whichever is lower) of all investments remaining in the Private Fund as of the first day of such quarter and (2) the amount of all Limited Partners’ aggregate capital commitments reserved for investment in Portfolio Companies as of the first day of each such quarter. After the second anniversary of the conclusion of the investment period the respective management fee percentage for each fiscal quarter shall be multiplied by the cost basis or fair market value (whichever is lower) of all investments remaining in the Private Fund as of the first day of such quarter. Special Purpose Entities typically pay Activant or an affiliate a one-time management fee structured as a percentage of the Limited Partners’ aggregate initial capital contributions and will typically be paid from such capital contributions. Co-Investment Vehicle Clients do not typically pay a management fee to Activant or an affiliate.

The management fee shall accrue and be due and payable commencing as of the date specified in the Fund Governing Documents; provided, however, that Activant or its affiliate may postpone all

or a portion of such payment obligation until such date or dates as it determines in its sole discretion. Management fees are paid from the assets of the Clients and are allocated to the capital accounts of the Limited Partners. The cash to pay such management fees are typically funded from drawdowns of Limited Partners' unfunded capital commitments. Management fees may also be paid from initial capital contributions or the operating capital of the Clients that includes interest, dividends, or portfolio company disposition proceeds.

Performance-Based Compensation

Activant's compensation for the investment advisory services it provides to Clients at times includes a carried interest allocation of realized gains, which at times is subject to a preferred return, and investment income (collectively "Performance-Based Compensation"). For the Private Funds, Activant or an affiliate receives a carried interest allocation from Limited Partners generally equal to 20%, but may vary, of all realized gains, typically subject to a preferred return (as more fully described in the Fund Governing Documents). For the Special Purpose Entities, Activant or an affiliate will receive carried interest from Fund Investors in certain of the Special Purpose Entities in an amount that varies though is typically 20% of the Special Purpose Entities' profits. Activant or an affiliate does not typically receive a carried interest allocation from Co-Investment Vehicle Clients but to the extent Activant, affiliates, or employees have an investment in the Co-Investment Vehicle Client, they will receive a proportional amount of the Co-Investment Vehicle Client's profits upon distribution (similar to other Limited Partners).

Please see **Item 6 Performance Based Fees and Side-by-Side Management** below regarding Performance-Based Compensation that Activant or an affiliate may receive. The precise amount of, and the manner and calculation of, the Performance-Based Compensation is set forth in the applicable Fund Governing Documents.

Activant or an affiliate may waive or reduce the management fee and performance-based compensation for certain Limited Partners in Activant's sole discretion. Current and former employees of Activant and certain affiliates including legal entities organized and controlled by employees and former employees do not pay management fees or carried interest to Activant. Activant may agree to waive, reduce or calculate management fees and Performance-Based Compensation differently for other Fund Investors.

Other Types of Client Expenses

Activant shall bear normal operating expenses incurred in connection with the management of the Clients except for those expenses borne directly by the Clients. Such normal operating expenses shall include, without limitation, expenditures on account of salaries, wages, and other benefits provided to or expenses of Activant employees, or other persons rendering services related to Private Fund portfolio investments, office rent, communications, equipment, supplies, website development, and maintenance expenses, and other similar administrative costs. Additionally, Activant shall bear fees and expenses associated with travel and entertainment (including, without limitation, airfare, meals, lodging, etc.) to the extent that such fees and expenses are directly related to *unconsummated* prospective investments of the Private Funds. For the Co-Investment Vehicle Clients and Special Purpose Entities, Activant or an affiliate is not required to advance any funds to pay any operating expenses of the respective Client. If Activant or an affiliate does

incur any costs for operating expenses in providing investment advisory services to the Co-Investment Vehicle Clients and Special Purpose Entities, Activant is entitled to be reimbursed by the Co-Investment Vehicle Client or Special Purpose Vehicle for such costs and expenses, and may initiate a capital call for such amounts. Except to the extent provided in the Fund Governing Documents or otherwise approved by the Limited Partners, Activant shall not, in its capacity as a general partner or otherwise, receive from the Co-Investment Vehicle Client any salary, fees, profits, reimbursements or distributions, except reimbursements of operating expenses.

The Private Funds shall bear all costs and expenses arising in connection with the Private Funds' operations. A non-exclusive list of such costs and expenses is set forth in the Fund Governing Documents, and includes, among others: (i) all costs, fees and expenses directly related to investments or prospective investments of the Private Funds (whether or not consummated), including research and due diligence costs related to an investment (costs, fees and expenses directly related to investments or prospective investments not consummated are referred to as "Broken Deal Expenses") and Broken Deal Expenses related to investments where Co-Investment Vehicles were not formed or organized; brokerage commissions and other execution and transaction costs; exchange, clearing and settlement charges; fees and expenses associated with travel and entertainment (including, without limitation, airfare (which at times includes first class airfare that is allocated to the Client at a coach-equivalent fare determined by Activant), meals, lodging, etc.) to the extent that such fees and expenses are related to consummated investments of the Private Funds; appraisal fees; investment banking fees and expenses; custody fees; and fees of consultants and finders relating to investments or prospective investments of the Private Funds; (ii) any taxes imposed on, or payable by, the Private Funds or any of its Limited Partners; (iii) any expenses relating to organizing investment subsidiaries; (iv) any governmental, regulatory, licensing, filing or registration fees (including fees to consultants) incurred by the Private Funds, or Activant affiliates such as the general partner or the management company in compliance with the rules of any self-regulatory organization or any federal, state or local or other applicable laws; (v) to the extent permitted by applicable law, any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Private Funds, or Activant affiliates such as the general partner or the management company in its capacity as such, or otherwise, involving Private Funds activities; (vi) the cost of the audit of the Private Funds' financial statements and the preparation of its tax returns; (vii) the fees and expenses for financial and tax accounting, reporting and administrative services performed; (viii) the fees and expenses of the Private Funds' counsel in connection with advice directly relating to the Private Funds' legal affairs and tax-related or regulatory-related issues; (ix) the costs of any litigation or investigation involving Private Funds activities; (x) the costs and fees of any valuation experts, outside appraisers, accountants, consultants, administrators, attorneys or other experts engaged by the Activant affiliates such as the general partner or the management company, as well as other expenses directly related to the Private Funds' operations and investment program; (xi) specific expenses incurred in obtaining, maintaining or performing systems, research and other information, including information service subscriptions, utilized with respect to the Private Funds investment programs; (xii) all costs, fees and expenses associated with the ongoing offering of interests in the Private Funds; (xiii) the costs and expenses associated with meetings between the general partner and the Limited Partners; (xiv) the expenses incurred by Activant in serving as the tax matters partner; (xv) the costs associated with maintaining

“directors and officers” or similar or other liability insurance for the benefit of the Private Funds or an Activant affiliate; (xvi) all reasonable costs and expenses associated with reporting and providing information to existing and prospective Limited Partners; and (xvii) all costs and expenses arising out of the Private Funds’ indemnification obligation pursuant to the Fund Governing Documents. Additionally, the Private Funds shall bear all organizational and syndication costs incurred by the Private Funds or Activant affiliates such as the general partner or the management company in connection with the formation and organization of such entities, and the offering of the interests in the Private Funds, including legal and accounting fees; marketing expenses and expenses incidental thereto (including travel and entertainment); accounting, administration and filing fees; other out-of-pocket expenses; and expenses attributable to compliance with any applicable federal and state laws (“Organizational Expenses”). A Private Fund’s Organizational Expenses in excess of a set amount (which may vary among Private Funds) will reduce the Management Fees otherwise payable by an identical amount. The Private Funds will bear all liquidation costs incurred in connection with the liquidation of the Private Funds, specifically including but not limited to legal and accounting fees and expenses.

Co-Investment Vehicle Clients and Special Purpose Entities shall bear all costs and expenses arising in connection with their operations. A non-exclusive list of such costs and expenses is set forth in the Fund Governing Documents, and includes, among others (i) the services of accountants; (ii) the services of appraisers engaged on behalf of the Client; (iii) the filing fees and related organizational expenses arising from the formation of the Client; (iv) the fees, costs and other expenses of legal counsel; (v) any broker's fees or commissions, underwriters discounts, commissions or fees, transfer taxes, depositary fees or similar fees and expenses necessary to hold, manage or dispose of the portfolio investments; and (vi) any other reasonable direct expenses incurred in connection with the operation of the Client. Notwithstanding the above, operating expenses will not include any fees or compensation paid to the general partner or any of its affiliates, or any rent expense or overhead allocation charged by the general partner or any of its affiliates.

Other Direct and Indirect Compensation

Activant at times will receive transaction fees, directors’ fees, consulting fees, advisory fees, portfolio company monitoring fees and similar fees relating to the Client’s investments in portfolio companies that either Activant, an affiliate, or employees receive in connection with the Client’s investments in such portfolio companies. Clients will receive the benefit of any transaction fees, directors’ fees, consulting fees, advisory fees, portfolio company monitoring fees and similar fees relating to the Client’s investments in portfolio companies that either Activant, an affiliate, or employees receive in connection with a Client’s investments in such portfolio companies. Clients may receive the benefit of this additional fee income in the form of an offset to all or a portion of the management fee paid by the Clients or Limited Partners. Activant employees’ fees and expenses associated with portfolio company board travel and entertainment (including, without limitation, airfare which at times includes first class airfare allocated to the portfolio company at a coach-equivalent fare determined by Activant, meals, lodging, etc.) at times is allocated (or reimbursed to Activant) to the respective portfolio company subject to Activant’s travel expense processes.

Expense Allocation

Activant's policy is to allocate expenses applicable to multiple Clients among such Clients in a fair and equitable manner, consistent with its fiduciary obligations. Any expense common to any Clients managed by us or our affiliates generally will be paid pro rata by such entities based on the eligible Client's committed or contributed capital or applicable position size (or in any other manner deemed fair and equitable by Activant, in our sole discretion). Notwithstanding the foregoing, Activant may specially allocate the expenses described herein in any other manner if Activant reasonably determines, in its sole discretion, that it is equitable to do so. Although Fund Investors who are affiliated with Activant do not pay management fees or performance-based compensation, they do pay their pro rata share of our Clients' operating costs. Co-Investment Vehicle Clients and Special Purpose Entities are generally formed in connection with the consummation of a transaction. Accordingly, where a proposed transaction is not consummated, no Co-Investment Vehicle Client or Special Purpose Entity generally will have been formed, and the full amount of any Broken Deal Expenses relating to any such proposed transaction would therefore be borne by the Private Fund(s) selected by Activant as the proposed investor for such proposed transaction. Any expenses of the Clients or Activant incurred in connection with any co-investment or proposed co-investment, which would not have been incurred but for the co-investment opportunity, shall be paid by the Co-investment Vehicle Clients or Activant, as the case may be, apportioned pro rata based on their co-investment or proposed co-investment in the investment or proposed investment to which such expenses or other expenses relate. To the extent that expenses to be borne by a Client are paid by Activant or its affiliates, the Client and at times a portfolio company as previously described will reimburse Activant or its affiliates for such expenses. We describe potential trading costs in greater detail in the subsequent **Item 12: Brokerage Practices** section of this brochure.

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

Activant or its affiliates receive Performance-Based Compensation from Clients as previously described. Performance-Based Compensation may create an incentive for Activant to make more speculative investments than would otherwise be made, or make decisions regarding the timing and manner of realization of investments differently than if such compensation were not received. The terms of the Performance-Based Compensation among Clients varies, which creates an incentive to favor the Performance-Based Compensation Clients that are more economically advantageous to Activant when allocating or evaluating investment opportunities. The payment by Clients of Performance-Based Compensation may also create an incentive for Activant to disproportionately allocate time, services or functions to these Clients, or to allocate investment opportunities to such Clients. The potential to earn Performance-Based Compensation could also give us an incentive to invest Client assets in an aggressive or speculative manner. Finally, Activant's management fee compensation at times is based in part on unrealized gains and losses, so we may have an incentive to inflate the value of client assets through fair valuation determinations. Despite the presence of these conflicts of interest, we seek to act fairly when we allocate investment opportunities and value Client assets. We have also adopted written policies and procedures that are designed to ensure fair allocations and valuations over time. Current and prospective Clients and Fund Investors are invited to discuss our allocation and valuation policies

and procedures with us. Additional conflicts with respect to Performance-Based Compensation and side-by-side management are discussed throughout this brochure and the Fund Governing Documents.

Item 7: Types of Clients

Activant provides investment advisory services to the Private Funds, Special Purpose Entities, and Co-Investment Vehicle Clients. Details concerning applicable investor suitability criteria are set forth in the respective Fund Governing Documents and subscription materials. There is generally no minimum commitment for a Fund Investor, however, Activant and/or its affiliates may establish minimum investments in the future, though Activant will maintain discretion to accept less than any minimum investment threshold established and may increase or decrease such thresholds from time to time. Each Fund Investor is required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act, as amended, and with limited exceptions a “qualified purchaser” or “knowledgeable employee” as defined in the Investment Company Act, as amended. This brochure is not an offer to invest in our Private Funds or in any private fund we may establish in the future. Any offer to invest in our Private Funds or in any private fund we may establish in the future will only be made through the provision of such entity’s confidential offering documents. Our Private Funds are not, and it is not anticipated that any private fund we may establish in the future will be, registered under the Securities Act of 1933 or the Investment Company Act of 1940.

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

Our investment objective is to provide Clients with the opportunity to realize significant long-term capital appreciation through (i) the acquisition, holding and distribution or other disposition of securities issued by or relating to, primarily, private technology-enabled companies (each a “Portfolio Company” and collectively, the “Portfolio Companies”); (ii) the short-term investment of cash in debt securities issued or backed by the United States or a State of the United States, investment grade rated commercial paper, certificates or other evidence of deposit in any reputable commercial bank, money market or similar mutual fund interests and other highly liquid investments providing for the appropriate safety of principal (as determined by Activant in its reasonable discretion); (iii) engaging in such other activities as are customary or appropriate to venture capital or emerging growth investment funds; and (iv) engaging in any other lawful activities as determined by us to be necessary or advisable in furtherance of the foregoing activities. We will pursue a growth capital strategy. We will seek to achieve this objective by employing several focus areas of investment that include: (1) commerce, (2) infrastructure technology related to commerce, and (3) data centric-businesses using IoT technology.

When selecting prospective investment targets for Clients we intend to look for strong topline growth, industry leadership, and outstanding management teams. We use a three-phase investment-committee process, within which the final phase will involve a final memo and additional investment-committee discussions that lead to consensus. We require that the investment committee members unanimously approve an investment for the Private Fund to make such investment. Our sourcing philosophy rests on a belief that a Client should invest in the best

companies in its core sectors, while remaining value disciplined. Our sourcing model includes sector-focused sourcing, proprietary algorithms, and building and cultivating ecosystems associated with our core sectors. Business building is an attribute of our operating model, as we aim to help companies navigate the inflection from entrepreneurial venture to thriving enterprise. We also plan to at times assist the Clients' portfolio companies in building their businesses in several ways, potentially including building management teams, growing revenue, operational planning, strategic decision making, financing, active board memberships, and operational support.

AN INVESTMENT WITH ACTIVANT, OUR PRIVATE FUNDS, OR OUR OTHER CLIENTS INVOLVES A HIGH DEGREE OF RISK. THE FOLLOWING DISCUSSION DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE INVESTMENT CONSIDERATIONS AND RISKS INVOLVED IN AN INVESTMENT WITH US OR OUR CLIENTS. PURCHASERS SHOULD READ IN THEIR ENTIRETY THESE RISK FACTORS AND APPLICABLE FUND GOVERNING DOCUMENTS, AND SHOULD CONSULT WITH THEIR OWN LEGAL, TAX AND FINANCIAL ADVISERS BEFORE DECIDING WHETHER TO INVEST. IF ANY OF THE RISKS DISCUSSED HEREIN OCCUR THEN OUR BUSINESS, FINANCIAL CONDITION, AND RESULTS OF OPERATIONS COULD BE MATERIALLY AND ADVERSELY AFFECTED AND FUND INVESTORS MAY LOSE ALL OR PART OF THEIR INVESTMENTS.

The value of the Client's assets is expected to fluctuate in response to fluctuations in the value of the Portfolio Companies. Discussed below are some risks that we believe are associated with an investment with Activant. These risks will, in turn, have an effect on the Client assets. We may not achieve our investment objectives.

Investment Activities. An investment in the Clients or the Private Funds involves a high degree of risk, including the risk that the Limited Partner's entire investment may be lost. The Clients' and Private Funds' performance depends upon Activant's selection of Portfolio Companies, the allocation of offering proceeds among Portfolio Companies, and the performance of the Portfolio Companies and the Clients' and Private Funds' other investments. The Clients' and Private Funds' investment activities involve the risks associated with venture capital and private equity investments generally. Risks include adverse changes in national or international economic conditions, adverse local market conditions, and adverse changes in the financial conditions of Portfolio Companies, which may be affected by changes in the availability or terms of financing; changes in interest rates, exchange rates, corporate tax rates and other operating expenses; environmental laws and regulations, and other governmental rules and fiscal policies; energy prices; changes in the relative popularity of certain industries; dependence on cash flow; acts of God, uninsurable losses, war, terrorism, earthquakes, hurricanes or floods; the quality of management; and other factors which are beyond the control of the Clients and Private Funds. Unexpected volatility or lack of liquidity, such as the general market conditions that prevailed in 2008, could impair the Clients' and Private Funds' performance and result in them suffering losses.

The value of the Clients' and Private Funds' assets is expected to fluctuate. To the extent that the Clients' or Private Funds' portfolios are concentrated in securities of a single issuer or issuers in a single sector, the investment risk may be increased.

Limited Operating History. The Clients and Private Funds are newly formed private investment funds with limited performance history that a Limited Partner can use to evaluate the Clients' and Private Funds' investment performance. Further, the General Partner and the management company are recently formed firms with limited performance history that a Limited Partner can use to evaluate their management performance. The Clients and Private Funds may be unable to raise substantial capital, which could result in the Clients and Private Funds being unable to structure their investment portfolios as anticipated, and the returns achieved on these investments may be reduced as a result of allocating the Clients' and Private Funds' expenses over a smaller asset base. The initial operating expenses for a new fund, including start-up costs, which may be significant, may be higher than the expenses of an established fund.

Defaults. A Limited Partner's failure to make a required capital contribution to a Client or Private Fund could substantially impair such Client's or Private Fund's ability to execute its investment strategy. Further, should a Limited Partner with a substantial Capital Commitment fail to make a required capital contribution, such failure could seriously threaten such Client's or Private Fund's ability to continue operations. Any such default by a Limited Partner would limit such Client's or Private Fund's ability to diversify its investments and could adversely affect such Client's or Private Fund's performance. A Limited Partner that fails to timely make a required capital contribution will be subject to certain adverse financial consequences, as set forth in the applicable Client's or Private Fund's Fund Governing Documents.

Illiquidity. The Clients and Private Funds are private investment funds designed for long-term investors. An investor should not invest in a Private Fund or Client if the investor needs a liquid investment. Fund Investors in the Private Fund do not have the right to redeem their limited partnership interests. The transferability of the Private Funds' limited partnership interests is subject to certain restrictions contained in the Fund Governing Documents and is affected by restrictions imposed under applicable securities laws. The Clients' and Private Funds' interests are not traded on any national or other securities exchange or other market. No market currently exists for the Clients' or Private Funds' interests, and Activant does not contemplate that one will develop. Therefore, the interests are not readily marketable. The Clients' and Private Funds' limited partnership interests should only be acquired by investors able to commit their funds for an indefinite period of time.

Competition. The Clients and Private Funds will face competition from other capital providers as the Clients and Private Funds acquire and develop interests in Portfolio Companies. Some of the Clients' and Private Funds' competitors have more experience identifying, acquiring, and selling companies and have greater financial and management resources, brand name recognition, or industry contacts than the Clients and Private Funds. There is no assurance that the Clients or Private Funds will be able to invest their capital on attractive terms.

Availability of Investment Opportunities. The business of identifying and structuring investments of the types contemplated by the Clients and Private Funds involves a high degree of uncertainty. The availability of investment opportunities generally is subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. No assurance can be given that the Clients or Private Funds will be able to identify and complete attractive investments in the future or that they will be able to fully invest their capital commitments. Other investment vehicles sponsored, managed or advised by Activant or its affiliates may seek investment opportunities similar to those the Clients and Private Funds may be seeking. Even if Activant identifies an attractive investment opportunity, the Clients and Private Funds may not be permitted to take advantage of the opportunity to the fullest extent desired.

Fees and Expenses. The Clients' and Private Funds' Limited Partners could potentially invest directly in the securities of Portfolio Companies. By investing in the Clients and Private Funds, as opposed to investing directly in the Portfolio Companies, a Limited Partner will bear a portion of the Management Fee and other expenses of the Clients and Private Funds. A Limited Partner will also bear a portion of the carried interest payable to Activant or its affiliates.

Co-Investment Risk. When a Client or Private Fund invests in a Portfolio Company alongside other investors, the realization of such Portfolio Company investment may take longer than would the realization of an investment under the sole control of such Client or Private Fund, because co-investors may require exit rights or procedures that such Client or Private Fund ordinarily would not require. Other investors may also have economic or business interests or goals that are inconsistent with those of such Client or Private Fund, or may be in a position to take or block action in a manner contrary to such Client's or Private Fund's investment objectives.

Limited Control by the Limited Partners. Activant has the discretion to select the Clients' and Private Funds' investments as opportunities arise. Therefore, the Clients and Private Funds and their Limited Partners rely on Activant's judgment and ability to identify and source investments for the Clients and Private Funds consistent with the Clients' and Private Funds' investment objectives. The success of the Clients and Private Funds depends upon the ability of Activant to develop and implement investment strategies that achieve the Clients' and Private Funds' investment objectives. The Limited Partners will have very limited voting rights, and no direct right or power to participate in the management or control of the Clients or Private Funds or the terms of their investments. The Limited Partners in the Private Funds will not typically be permitted to evaluate investment opportunities or relevant business, economic, financial, or other information that will be used by Activant in making decisions. Activant's judgments about the attractiveness, value, and potential appreciation of a particular investment may prove to be incorrect. There can be no assurance that Activant will be able to select or implement successful strategies or achieve the Clients' or Private Funds' investment objectives.

Valuation of the Clients' and Private Funds' Investments. A Portfolio Company that does not have outstanding securities that are publicly held will not have a readily ascertainable market price, and will be required to be fair valued by Activant. In this regard, Activant will need to use valuation techniques that may not rely on transparent inputs, and Activant will face elements of judgment as well as a conflict of interest in valuing the securities, as the valuation may affect how

investors, and potential investors in subsequent funds sponsored by Activant or affiliates, view the Clients' and Private Funds' performance. No assurances can be given regarding the valuation methodology or the sufficiency of systems utilized by Activant in valuing a Portfolio Company. As a result, the Clients' and Private Funds' valuations of a Portfolio Company's securities may fail to match the amount that could be realized with respect to the disposition of such securities on any valuation date. The valuation of a Portfolio Company could also be inaccurate due to fraudulent activity, mistake, or inadvertent error. The Clients and Private Funds may not uncover errors in valuation for a significant period of time.

Indemnification Obligations. The Clients and Private Funds have agreed to indemnify their general partners, Activant, their officers, directors, managers, and certain other affiliates from any liability, damage, cost, or expense arising out of, among other things, acts or omissions undertaken in connection with the management of such Clients or Private Funds. If the Clients and Private Funds were required to make payments in respect of any such obligations, the Clients and Private Funds could be materially adversely affected.

Capital Call Facility. The Clients' and Private Funds will have to pay interest on borrowings, if any, including under a capital call facility, which will reduce such Clients' and Private Funds' return. The costs associated with the capital call facility may be greater than the Clients' and Private Funds' return on the underlying investments.

Recourse to the Clients' and Private Funds' Assets. The Clients' and Private Funds' assets, including any investments made by such Clients and Private Funds, are available to satisfy liabilities and other obligations of such Clients and Private Funds including, without limitation, under any capital call facility. If a Client or Private Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to such Client's or Private Fund's assets generally and not be limited to any particular asset, such as the asset representing the investment giving rise to the liability.

Regulatory Change. Legal and regulatory changes could occur during the term of the Clients and Private Funds, which may materially adversely affect the Clients and Private Funds. Regulation of the U.S. and non-U.S. securities, derivatives, and futures markets, and investment funds such as the Private Funds, has undergone substantial change in recent years and such change may continue. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (the "Dodd-Frank Act"), was signed into law in July 2010. The Dodd-Frank Act contains changes to the existing regulatory structure in the United States and is intended to establish rigorous oversight standards to protect the U.S. economy and American consumers, investors, and businesses. The Dodd-Frank Act requires additional regulation of certain private equity and venture capital fund managers, including requirements for such managers to register as investment advisers under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and to disclose certain information to regulators about the positions, counterparties, and other exposures of the funds managed by such managers. The cost of registration and of ongoing compliance will increase the Clients' and Private Funds' operational expenses. Other potentially adverse regulatory initiatives could also develop.

Applicable Laws and Regulations. Activant believes that the Clients and Private Funds will not be, and intends to conduct operations so that the Clients and Private Funds will not become, regulated as investment companies under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Under the Investment Company Act, an investment company is required to register with the Securities and Exchange Commission and is subject to extensive and potentially adverse regulation relating to, among other things, operating methods, management, capital structure, dividends and transactions with affiliates. As stated above, Activant intends to conduct the Clients’ and Private Funds’ operations in such a way as to perfect an exemption from registration as an investment company. If, however, a Client or Private Fund is not able to maintain an exemption, it could be required, among other things, to change the manner in which it conducts its operations to avoid being required to register as an investment company, or to register as an investment company, either of which could materially adversely affect such Client or Private Fund. Further, if a Client or Private Fund were to be deemed an unregistered investment company, such Client or Private Fund could be subject to monetary penalties and injunctive relief. Such Client or Private Fund may be unable to enforce contracts with third parties or third parties could seek to obtain rescission of transactions undertaken during the period that such Client or Private Fund was deemed an unregistered investment company. Any of these possibilities would likely have a material adverse effect on such Client or Private Fund.

In general, Activant will seek to minimize the degree of governmental regulation and oversight to which Activant and the Clients and Private Funds are subject. While it is anticipated that this approach will reduce compliance and other costs, this approach will also eliminate a variety of investor protections (including certain protections arising under the Securities Act and the Investment Company Act) that would be available if Activant and the Clients and Private Funds were subject to greater regulatory and oversight burdens.

Legal Counsel. Documents relating to the Clients and Private Funds, including the Subscription Agreement to be completed by each investor as well as the Clients’ and Private Funds’ Fund Governing Documents, are detailed and often technical in nature. Legal counsel to the Clients and Private Funds represents the interests solely of Activant (and certain of its affiliates) and the Clients and Private Funds, and does not represent the interests of any Fund Investor. Accordingly, each prospective investor is urged to consult with its own legal counsel before investing in any Client or Private Fund. In advising as to matters of law (including matters of law described in these risk factors), legal counsel has relied, and will rely, upon representations of fact made by Activant. Such advice may be materially inaccurate or incomplete if any such representations are themselves inaccurate or incomplete, and legal counsel generally has not undertaken and will not undertake independent investigation with regard to such representations. Moreover, it is common for fund managers to manage a number of funds and to have developed a relationship with one law firm representing all of those funds. Activant typically will want to continue to use the services of that law firm even if a dispute with the Limited Partners gives rise to potential conflicts of interest. Therefore, to the extent permitted by applicable law, the Private Funds may request that such legal counsel be permitted to represent Activant (adverse to the Limited Partners) notwithstanding any duties that might otherwise have arisen by virtue of counsel’s representation of the Clients and Private Funds.

Inadequate Return. No assurance can be given that the returns on an investment in a Client or Private Fund will be commensurate with the risk of such investment in such Client or Private Fund. Limited Partners should not invest in a Client or Private Fund unless they have the resources to sustain the loss of their entire investment.

Dependence on the Managers. The Clients and Private Funds will be particularly dependent upon the efforts, experience, contacts, and skills of the managers of Activant (collectively, the “Managers”). The loss of any such individual could have a material adverse effect on the Clients and Private Funds. While the Clients and Private Funds are structured to incentivize the Managers to retain their management responsibilities for the life of the Clients and Private Funds, such loss could occur at any time due to death, disability, resignation, or other reasons. Moreover, except as specifically provided in the Fund Governing Documents, the Managers will not be required to devote their time and attention exclusively to the Clients and Private Funds. Additional members may be admitted to Activant following the Clients’ or Private Funds’ initial closings and the Limited Partners will not have the power to prevent any specific person from being admitted to Activant as a member thereof. Within Activant, the economic, voting and other rights of the individual members may be determined by agreement among such members and will be subject to change, without notice to the Limited Partners, from time to time.

Some or all of the Managers may lack substantial prior experience managing an investment fund. Notwithstanding any prior experience that the Managers may have in making investments of the type expected to be made by the Clients and Private Funds, any such prior experience may have been obtained in different structures and under different market conditions and with different technologies at the forefront of development. There can be no assurance that the Managers will be able to duplicate prior levels of success, and there is no guarantee that the Managers’ judgment will produce the desired results.

Activant may appoint or admit certain persons to advisory or other committees or boards intended to assist Activant by providing advice, industry contacts, deal flow, technical expertise or other benefits. Under most circumstances, such persons will have no contractual or other obligation to continue as members of such committees or boards or to provide any particular benefits. In evaluating an investment with Activant, prospective investors should not depend upon any specific benefits accruing to Activant or the Clients or Private Funds in respect of any such advisory or other committees or boards or the members thereof.

Conflicts of Interest. The structure and operation of a Client or Private Fund involves several potential conflicts of interest between and among Activant, its affiliates, the general partner of such Client or Private Fund, and the Limited Partners. Such potential conflicts of interest include the following, each of which should be carefully considered by current and prospective Limited Partners. This does not purport to identify all such conflicts, and Limited Partners ultimately will be heavily dependent upon the good faith of the Activant, and the Managers of Activant.

There may be conflicts of interest between the Managers and the Limited Partners. The Special Limited Partner, if a Private Fund, or general partner, if a Client, and in each case an affiliate of the Managers, will be entitled to receive some percentage of all capital appreciation of such

Private Fund's or Client's assets, notwithstanding the fact that, in its capacity as the Special Limited Partner or general partner, as applicable, it has committed to providing none of such Private Fund's or Client's capital. The Managers may thus have an incentive to invest such Private Fund's or Client's capital in higher risk ventures designed to create higher returns than would be acceptable to the Limited Partners, because the Managers' compensation is based on the Private Fund's or Client's performance. The Managers may manage other funds that compete for similar investments as the Private Funds, and, subject to compliance with the Fund Governing Documents, the Managers may create new funds that compete for investments with the Private Funds. Subject to compliance with the Fund Governing Documents, allocation of investment opportunities among the Private Funds and other funds managed by the Managers are made in the Managers' sole discretion. Managing multiple funds may make it difficult for the Managers to devote their full time and attention to managing the Private Funds and Clients.

The Managers or their affiliates may make co-investments or side-by-side investments with the Private Funds and Clients. The Managers may also cause a Private Fund or Client to invest in a Portfolio Company in which a Manager or its affiliate may have an investment, or cause a Portfolio Company to enter into a transaction with another company in which a Manager or its affiliate may have an investment.

Certain employees and affiliates of the Managers have invested in the Private Funds and the Clients as Limited Partners. Unlike such Private Fund's or Client's other Limited Partners, such employees and affiliates will not be charged management fees or "carried interests" respecting their interests in such Private Fund or Client.

It is anticipated that certain employees and affiliates of the Managers may finance a portion of their capital contributions to the Private Funds using a professional loan program offered by a financial institution. The terms of such professional loan program will likely require (i) such employees and affiliates (collectively, the "Borrowers") to pledge their interests in the Private Funds as security for such loans, (ii) Activant and the Private Funds to become parties to the loan documents, and (iii) Activant Capital to guarantee the obligations of the Borrowers to the financial institution under such loan documents. Fulfilling their obligations under the loan documents could serve to divert the attention of Activant away from the Clients' and Private Funds' businesses. Moreover, a default by a Borrower under such loan documents could result in substantial administrative burdens being placed on the Clients and Private Funds, the General Partner, the Managers, and Activant. Additionally, any exercise of the guaranty against Activant Capital could diminish the resources ultimately available to Activant and the Managers for the fulfillment of their obligations to the Clients and Private Funds. And, Activant, the Clients and Private Funds may face liability to the financial institution for breach of their obligations under the loan documents, which could result in a material adverse effect to the Clients and Private Funds.

Members, Managers, and other employees of Activant may serve as officers or directors of Portfolio Companies. In their capacity as officers or directors of Portfolio Companies, such individuals may become subject to fiduciary or other duties which adversely affect the Clients and Private Funds. For example, a Private Fund may be unable to sell a Portfolio Company's securities if a member, Manager, or other employee of Activant is in possession of inside

information relating to such Portfolio Company. Nevertheless, the Fund Governing Documents will not preclude members, Managers, or other employees of Activant or the Managers from serving as officers or directors of Portfolio Companies.

Additionally, the Managers may be prohibited from taking action for the benefit of the Clients or Private Funds due to confidential information acquired or obligations incurred in connection with an outside activity permitted to the Managers or their affiliates under the Fund Governing Documents, or in connection with activities undertaken by a Manager or its affiliate prior to the inception of the Client or Private Fund. No person shall be liable to a Client or Private Fund for any failure to act for the benefit of such Client or Private Fund in consequence of a prohibition described in the preceding sentence.

The Clients' and Private Funds' Fund Governing Documents will contain certain protections for Limited Partners against conflicts of interest faced by Activant and the Managers and their affiliates, but will not purport to address all types of conflicts that may arise. Moreover, as a practical matter, it may be difficult for Limited Partners to subject the behavior of Activant and the Managers and affiliates to close scrutiny. During the Clients' and Private Funds' terms, many different types of conflicts of interest may arise and these risk factors do not purport to identify all such conflicts. Limited Partners ultimately will be heavily dependent upon the good faith of the Managers.

Investment Opportunities. While it is the intention of Activant that investment opportunities will be apportioned among the Clients and Private Funds and other clients and investment funds affiliated with Activant on a fair and reasonable basis, there is no assurance that the Clients and Private Funds will be offered any specific investment opportunities that come to the attention of Activant or that a Client or Private Fund will be permitted to invest the full amount it desires to invest in any such opportunity that is made available.

Side Letters. In accordance with common industry practice, Activant may enter into one or more side letters or similar agreements with certain Limited Partners pursuant to which Activant grants to such Limited Partners specific rights, benefits, or privileges that are not made available to Limited Partners generally. Such side letters will be disclosed only to those actual or potential Limited Partners that have separately negotiated with Activant for the right to review such agreements.

Special Limited Partners and General Partners. Because the percentage of profits allocated to the Clients' general partners and the Private Funds' Special Limited Partners will exceed the capital contribution percentage of such general partners and Special Limited Partners, the Managers, as members of such general partners and Special Limited Partners, may have an incentive to make investments that are riskier or more speculative than if such general partners and Special Limited Partners received allocations on a basis identical to that of the Limited Partners or were compensated on a basis not tied to the performance of such Clients and Private Funds.

ERISA and other Regulatory Considerations. The Clients and Private Funds are not providing ERISA or tax counsel or advice respecting any investment in such Clients and Private Funds and, as such, no representations or warranties are being made regarding the appropriateness of such investment by a prospective investor. Each Limited Partner is urged to consult with its own legal counsel regarding ERISA and tax matters.

In-Kind Distributions. It is anticipated that the Clients and Private Funds will from time to time distribute Portfolio Company securities to the Limited Partners. Such securities may be subject to a variety of legal or practical limitations on sale. In particular, immediately following a distribution of such securities, Limited Partners may be required to satisfy a holding period under securities laws, and trading volume may be insufficient to support sales by the Limited Partners without such sales triggering a price decline which makes it difficult or impossible for all Limited Partners to sell such securities at the distribution price.

Liability Exposure. The Limited Partners' limited liability for the Clients' and Private Funds' obligations is not absolute. Under Delaware law, and in other contexts such as bankruptcy, Limited Partners of a Client or Private Fund could face personal liability in connection with such Limited Partners' receipt of distributions made by such Client or Private Funds under certain circumstances. Additionally, if it were determined that the right, or exercise of the right, by the Limited Partners as a group to authorize specified actions of such Client or Private Fund or to take other action under the Fund Governing Documents, constituted "participation in the control" for the purposes of Delaware law, then the Limited Partners could be held personally liable for such Client's or Private Fund's obligations to the same extent as Activant.

Cyber Security Risk. With the increased use of the Internet and because information technology ("IT") systems and digital data underlie many of the Clients' and Private Funds' operations, Activant, and other service providers and the vendors of each (collectively, "Service Providers") are exposed to the risk that their operations and data may be compromised as a result of internal and external cyber-failures, breaches or attacks ("Cyber Risk"). This could occur as a result of malicious or criminal cyber-attacks. Cyber-attacks include actions taken to: (i) steal or corrupt data maintained online or digitally, (ii) gain unauthorized access to or release of confidential information, (iii) shut down websites through denial-of-service attacks, or (iv) otherwise disrupt normal business operations. However, events arising from human error, faulty or inadequately implemented policies and procedures, or other systems failures unrelated to any external cyber-threat may have effects similar to those caused by deliberate cyber-attacks. Successful cyber-attacks or other cyber-failures or events affecting the Clients and Private Funds or their Service Providers may adversely impact the Clients and Private Funds. For instance, such attacks, failures, or other events may cause the release of private investor information or confidential Client and Private Fund information, impede the Clients' and Private Funds' ability to consummate transactions, or cause reputational damage. Such attacks, failures, or other events could also subject the Clients and Private Funds or their Service Providers to regulatory fines, penalties, or financial losses, reimbursement or other compensation costs, and additional compliance costs. Insurance protection and contractual indemnification provisions may be insufficient to cover these losses. The Clients and Private Funds or their Service Providers may also incur significant costs to manage and control Cyber Risk. While the Clients and Private Funds and their Service Providers

have established IT and data security programs and have in place business continuity plans and other systems designed to prevent losses and mitigate Cyber Risk, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified or that cyber-attacks may be highly sophisticated. Cyber Risk is also present for many of the Clients' and Private Funds' Portfolio Companies, which could result in material adverse consequences for such Portfolio Companies and may cause the Clients' and Private Funds' investments in such Portfolio Companies to lose value.

Risks Related to the Portfolio Companies

Nature of Portfolio Companies. The Clients and Private Funds may acquire investments in Portfolio Companies that involve a high degree of business or financial risk. Such Portfolio Companies may be startups in the early phases of development, which can be highly risky due to the lack of a significant operating history, fully developed product lines, experienced management, or a proven market for their products or services. The Clients' and Private Funds' investments may also include Portfolio Companies that are in a state of distress or that have a poor record and that are undergoing restructuring or changes in management, and there can be no assurances that such restructuring or changes will be successful. The management of the Portfolio Companies may depend on one or two key individuals, and the loss of the services of any such individuals may adversely affect the Portfolio Companies' performance. Portfolio Companies may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition. Portfolio Companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities and a larger number of qualified managerial and technical personnel.

The Clients and Private Funds intend to invest primarily in companies seeking venture capital. Such companies have limited operating histories, are attempting to develop or commercialize unproven technologies or implement novel business plans or are not otherwise developed sufficiently to be self-sustaining financially or to become public. Such investments involve a high degree of business and financial risk that can result in substantial losses, which risks generally are greater than the risks of investing in public companies that may be at a later stage of development.

Foreign Portfolio Companies. The Clients and Private Funds may invest in foreign Portfolio Companies that do not maintain internal accounts or adopt financial budgeting, internal audit, or internal control procedures to standards normally expected of companies in the United States. Accordingly, information supplied to the Clients and Private Funds may be incomplete, inaccurate, or significantly delayed. The Clients and Private Funds may therefore be unable to take or influence timely actions necessary to rectify management deficiencies in such Portfolio Companies, which may ultimately have an adverse impact on the value of the Clients and Private Funds. Additionally, investments in foreign securities may be affected by currency controls and exchange rates; different legal standards and practices; expropriation; changes in tax policy; social, political and economic instability; greater market volatility; differing securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling transactions or in receiving payment of dividends. Further, changes in government administrations or economic or monetary policies abroad could result in appreciation

or depreciation of the foreign Portfolio Companies' securities. These risks may be heightened in connection with investments in emerging or developing countries. The effect of worldwide and regional economic and political instability on specific foreign markets or issuers may be difficult to predict or evaluate, and some national economies continue to show profound instability, which may in turn affect their international trading partners.

Currency Risk. To the extent that the Clients and Private Funds invest in securities whose issuers receive revenue in foreign currencies, the Clients and Private Funds will be subject to currency risk. This is the risk that those currencies will decline in value relative to the U.S. dollar, which would adversely affect the dollar value of an investment in the Clients and Private Funds. Currencies in non-U.S. countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention by U.S. or foreign governments, central banks or supranational agencies, such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad.

Emerging Markets Risk. Investment in emerging market securities involves greater risk than that associated with investment in securities of issuers in developed foreign countries. These risks include volatile currency exchange rates; periods of high inflation; increased risk of default; greater social, economic, and political uncertainty and instability; less governmental supervision and regulation of securities markets; weaker auditing and financial reporting standards; lack of liquidity in the markets; and the significantly smaller market capitalizations of emerging market issuers.

Technology Sector. The Clients and Private Funds intend to invest primarily in the securities of private, technology-enabled companies. Certain technology companies may have limited product lines, markets or financial resources, or may depend on a limited management group. In addition, these companies are strongly affected by worldwide technological developments, and their products and services may require significant capital expenditure, may not be economically successful, or may quickly become outdated.

Sector Concentration. A Client or Private Fund may concentrate its investments in specific industry sectors. This focus may constrain the liquidity and the number of Portfolio Companies available for investment by such Client or Private Fund. In addition, the investments of such Client or Private Fund may be disproportionately exposed to the risks associated with the industry sectors of concentration.

Geographic Concentration. A Client or Private Fund may concentrate its investments in specific geographic regions. This focus may constrain the liquidity and the number of Portfolio Companies available for investment by such Client or Private Fund. In addition, the investments of such Client or Private Fund may be disproportionately exposed to the risks associated with the region of concentration.

Competition. The Clients' and Private Funds' assets will be invested in pre-growth and growth-stage companies focused upon the highly competitive and rapidly changing technologies

industries. There is intense competition in these industries, and Activant expects competition to intensify in the future. The Clients and Private Funds will be adversely affected if their Portfolio Companies are not able to compete successfully. Many of the present and potential competitors may have greater financial, technical, marketing, and other resources than those of the Clients' and Private Funds' Portfolio Companies. Such competitors may be better able to adapt to the challenges presented by continuing rapid and major scientific, regulatory and technological changes. Additionally, the Clients' and Private Funds' Portfolio Companies may be at a disadvantage in responding to the offerings of their competitors, technological changes or changes in client requirements. Also, the Clients' and Private Funds' Portfolio Companies may be at a competitive disadvantage because many of their competitors have greater name recognition, more extensive client bases and a broader range of product offerings. The Clients' and Private Funds' Portfolio Companies may also compete against one another in some circumstances.

Products and Services. Portfolio Companies' business strategies are often highly dependent upon the successful launch and commercialization of an innovative technology, device, process, service, system, etc. Despite a Client's or Private Fund's efforts to review the research and development underlying the innovation or creation of such technologies, devices, processes, or services before such Client or Private Fund deploys capital to a Portfolio Company, there can be no assurance that the research or product development efforts of the Portfolio Companies or those of their collaborative partners will be successfully completed, that specific products or services can be manufactured or provided in adequate quantities at an acceptable cost and with appropriate quality, or that such products or services can be successfully marketed or achieve customer acceptance. In those situations, it is likely that such Client or Private Fund will incur a partial or total loss of the capital which it invested in such Portfolio Company.

Changing Marketplaces. If the Clients' and Private Funds' Portfolio Companies fail to adapt to changes in technology and customer and supplier demands, they may not become or remain profitable. There is no assurance that the products and services of the Clients' and Private Funds' Portfolio Companies will achieve or maintain market penetration or commercial success, or that the businesses of the Clients' and Private Funds' Portfolio Companies will be successful. Generally, technology-related marketplaces are characterized by rapid changes, evolving industry standards, the frequent introduction of new products and services, shifting distribution channels, evolving governmental regulation, frequently changing intellectual property landscapes, and changing customer demands. A Client's or Private Fund's success will depend on its Portfolio Companies' abilities to adapt to these influences, which are difficult to predict. They may not be able to adequately or economically adapt their products and services, develop new products and services, or establish and maintain effective distribution channels for their products and services. If a Client's or Private Fund's Portfolio Companies are unable to offer competitive products and services or maintain effective distribution channels, they will sell fewer products and services and forego potential revenue, possibly causing them to lose money. In addition, the Clients' and Private Funds' Portfolio Companies may not be able to respond to these influences in an economically efficient manner, and the Portfolio Companies may become or remain unprofitable.

Rapid Growth. We expect some of the Clients' and Private Funds' Portfolio Companies to grow rapidly. Rapid growth often places considerable operational, managerial and financial strain on a

business. To successfully manage rapid growth, the Portfolio Companies must, among other things: improve, upgrade, and expand their business infrastructures; scale up production operations; develop appropriate financial reporting controls; attract and maintain qualified personnel; and maintain appropriate levels of liquidity. If the Portfolio Companies are unable to manage their growth successfully, their ability to respond effectively to competition and to achieve or maintain profitability will be adversely affected.

Additional Capital Requirements. Some or all of the Clients' and Private Funds' Portfolio Companies will need to raise additional capital to fund their operations at any given time. The Clients and Private Funds may not be able to fund some or all of such amounts and such amounts may not be available from third parties on acceptable terms, if at all. We cannot be certain that the Portfolio Companies will be able to obtain additional financing on favorable or acceptable terms. Because the Clients' and Private Funds' resources and their ability to raise capital are not unlimited, the Clients and Private Funds may not be able to provide Portfolio Companies with sufficient capital resources to enable them to reach a cash-flow positive position. General economic disruptions and downturns may also negatively affect the ability of some of the Portfolio Companies to fund their operations from other capital sources. The Clients and Private Funds also may fail to accurately project the capital needs of Portfolio Companies. If Portfolio Companies need, but are not able, to raise capital from the Clients or Private Funds or other outside sources, then they may need to cease or scale back operations. In such event, the Clients' and Private Funds' interest in any such Portfolio Company will lose some or all of its value.

Intellectual Property. Intellectual property may constitute an essential or important part of Portfolio Company assets and competitive strengths. Some of the Clients' and Private Funds' Portfolio Companies will assert various forms of intellectual property protection, while other Portfolio Companies will have not acquired patents or other protections for their key inventions. Federal law, most typically, copyright, patent, trademark, and trade secret law, generally protects intellectual property rights. Generally, the Clients and Private Funds will review the adequacy of the Portfolio Companies' intellectual property protections, or ability to obtain such, prior to making investments. However, although the Clients and Private Funds expect that their Portfolio Companies will take reasonable efforts to protect the rights to their intellectual property, third parties may develop similar intellectual property independently. Moreover, the complexity of trade secret, copyright, trademark and patent law, coupled with the limited resources of the Portfolio Companies and the demands of quick delivery of products and services to market, create a risk that Portfolio Company efforts to prevent misappropriation of their technology will prove inadequate.

Some of the Portfolio Companies will license intellectual property from third parties and it is possible that they could become subject to infringement actions based upon their use of the intellectual property licensed from those third parties. Portfolio Companies generally obtain representations as to the origin and ownership of such licensed intellectual property. However, this may not adequately protect the Portfolio Companies. Any claims against the Portfolio Companies' proprietary rights, with or without merit, could subject them to costly litigation and divert their technical and management personnel from other business concerns. If the Portfolio Companies incur costly litigation and their personnel are not effectively deployed, the expenses

and losses incurred by the Portfolio Companies will increase and their profits, if any, will decrease.

Patent and intellectual property challenges are frequent within the technology industry. Third parties may assert infringement or other intellectual property claims against the Portfolio Companies based on their patents or other intellectual property claims. The Portfolio Companies may have to pay substantial damages, possibly including treble damages, if it is ultimately determined that they do. They may have to obtain a license to sell their products if it is determined that their products infringe another person's intellectual property. Portfolio Companies might be prohibited from selling their products before they obtain a license, which, if available at all, may require them to pay substantial royalties. Even if infringement claims against a Portfolio Company are without merit, defending these types of lawsuits takes significant time, is expensive and may divert management attention from other business concerns.

Illiquidity. There is no regular market for securities of privately held Portfolio Companies, which typically must be sold in privately negotiated transactions. If Activant determines to cause a Client or Private Fund to sell its interest in a Portfolio Company, such Client or Private Fund may be unable to sell such interest quickly, if at all, and could therefore be obligated to continue to hold such interest for an extended period of time, or to accept a lower price for a quick sale.

Expedited Decision-making. Investment analyses and decisions may be undertaken on an expedited basis for the Clients and Private Funds to take advantage of available investment opportunities that have expedited investment processes. Further, Activant may conduct its due diligence activities over a very brief period to take advantage of investment opportunities, which could result in less due diligence being conducted on the investment opportunity by Activant than would be conducted in ordinary circumstances.

Control Positions. The Clients and Private Funds may take control positions in Portfolio Companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise, and other types of liability related to business operations. In addition, the act of taking a control position, or seeking to take such a position, may itself subject the Clients and Private Funds to litigation by parties interested in blocking it from taking that position. If those liabilities were to arise, or such litigation was to be resolved adversely to such Clients and Private Funds, such Clients and Private Funds likely would suffer losses.

Inside Information. From time to time, the Clients and Private Funds or their affiliates may come into possession of material, non-public information concerning an entity in which a Client or Private Fund has invested, or proposes to invest. Possession of that information may limit the ability of the Clients and Private Funds to buy or sell securities of the entity.

Uncertain Exits. The market for technology-enabled and other emerging growth companies is volatile. Such volatility may adversely affect (i) the Clients' and Private Funds' ability to dispose of investments, and (ii) the value of investment securities on the date of sale or distribution by the Clients and Private Funds. In particular, the receptiveness of the public markets to initial public

offerings by the Clients' and Private Funds' Portfolio Companies or the private markets to acquisition of the Clients' and Private Funds' 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 or otherwise dispose of its securities through merger, consolidation, or similar transaction at an appropriate time. If a Portfolio Company affects a successful public offering, the Portfolio Company's securities may be subject to contractual "lock-up," securities law or other restrictions which may, for a material period of time, prevent the Clients and Private Funds or the Limited Partners from disposing of the Portfolio Company's securities. If the Portfolio Company's securities are disposed of via merger, consolidation, or similar transaction, any securities received by the Clients and Private Funds in such transaction may be subject to contractual "lock-up," securities law or other restrictions which may, for a material period of time, prevent the Clients and Private Funds or the Limited Partners from disposing of such securities. Generally, the investments made by the Clients and Private Funds will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of a Client's or Private Fund's investment, a Portfolio Company may lack one or more key attributes (e.g., proven technology, marketable product, complete management team, or strategic alliances) necessary for success. In most cases, investments will be long-term in nature and may require many years from the date of initial investment before disposition. There can be no assurance that any Portfolio Company investment will result in a liquidity event via public offering, acquisition, or otherwise.

Limited Control. Most or all of the Clients' and Private Funds' interests in Portfolio Companies will likely be minority interests in the form of preferred stock. Preferred stock may include basic protective and preferential rights, including protection against decisions by Portfolio Companies that may adversely affect the interests of holders of preferred stock, and minority representation on the boards of directors of the Portfolio Companies. However, the Clients and Private Funds will not have ultimate control over the management and major decisions of the Portfolio Companies. Managerial mistakes can be very costly, and the Clients and Private Funds will have a limited ability to prevent these mistakes within the Portfolio Companies.

Moreover, the Clients' and Private Funds' strategy is to invest in Portfolio Companies with a view in most cases of making an exit by means of a merger or acquisition. The success of the Clients and Private Funds is largely dependent upon the timing and strategy of these exit events. Because the Clients' and Private Funds' control within Portfolio Companies is largely expected to be limited, the Clients and Private Funds cannot guarantee that an exit will take place in a manner or at a time that is in the best interests of the Clients and Private Funds. Directors, officers, and other stockholders within the Portfolio Companies whose interests may not be aligned with the Clients and Private Funds will have control over the timing and strategy of an exit event.

Legislation and Regulatory Risks. At any time after the date of this Brochure, legislation or additional regulations may be enacted that could negatively affect the Portfolio Companies in which the Clients and Private Funds invest. There can be no assurance that future legislation, regulation, or deregulation will not have a material adverse effect on the Clients and Private Funds or will not impair the ability of the Clients and Private Funds to achieve their investment

objectives. The Portfolio Companies and the Clients and Private Funds also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules.

Market Disruption and Geopolitical Risks. The ongoing U.S. military and related action in Iraq and Afghanistan and events in the Middle East and Ukraine, as well as the continuing threat of terrorist attacks, could have significant adverse effects on the U.S. economy, the stock market, and world economies and markets generally. A disruption of financial markets or other terrorist attacks could adversely affect the Clients' and Private Funds' service providers and operations as well as interest rates, credit risk, inflation, and other factors relating to the value of an investment in the Clients and Private Funds. Activant cannot predict the effects or likelihood of similar events in the future on the U.S. and world economies, the value of the Clients' and Private Funds' Interests, or the net asset value of the Clients and Private Funds. Assets of companies, including Portfolio Companies, could be direct targets, or indirect casualties, of an act of terrorism.

Continuing uncertainty as to the status of the Euro and the European Monetary Union and the potential for certain countries to withdraw from the institution has created significant volatility in currency and financial markets generally. Any partial or complete dissolution of the European Union ("EU") could have significant adverse effects on currency and financial markets, and on the values of the Clients and Private Funds' investments. The United Kingdom's referendum on June 23, 2016, to leave the European Union (known as "Brexit") sparked depreciation in the value of the British pound, short-term declines in the stock markets and heightened risk of continued economic volatility worldwide. Although the long-term effects of Brexit are difficult to gauge and cannot be fully known, they could have wide ranging implications for the United Kingdom's economy and international markets generally, including: possible inflation or recession, continued depreciation of the pound or other currency, or disruption to Britain's trading arrangements with the rest of Europe. The United Kingdom is one of the EU's largest economies; its departure also may negatively impact the EU and Europe as a whole, as well as other international markets, such as by causing volatility within the EU, triggering prolonged economic downturns in certain European or other countries, or sparking additional member states to contemplate departing the EU (thereby perpetuating political instability in the region).

Reserves. In managing the Clients and Private Funds, Activant will at times establish reserves for follow-on investments in Portfolio Companies, operating expenses (including management fees), Client and Private Fund liabilities, and other matters. Estimating the amount necessary for such reserves is difficult, particularly because follow-on investment opportunities are directly tied to the success and capital needs of Portfolio Companies. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the Limited Partners. For example, if reserves are inadequate, the Clients and Private Funds may be unable to take advantage of attractive follow-on or other investment opportunities. Similarly, if reserves are excessive, the Clients and Private Funds may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Litigation. The Clients and Private Funds will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that one or more Portfolio Companies will face financial or other difficulties during the term of the Clients' or Private Funds'

investment. For example, it is anticipated that one or more of the Managers may actively assist Portfolio Companies in differing capacities (including, without limitation, by serving as officers, directors, or advisors). The Clients and Private Funds may also participate in Portfolio Company financings at implicit Portfolio Company valuations lower than the valuations implicit in preceding rounds of financing, and exit events such as mergers, acquisitions, asset sales, or liquidations. In the event of a dispute arising from any of the foregoing activities (or other activities relating to the operation of the Clients and Private Funds or Activant), it is possible that the Clients and Private Funds, Activant, or the members or Managers of any of the foregoing, may be named as defendants. Under most circumstances, the Clients and Private Funds will indemnify any such persons for any costs they may incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect the Clients and Private Funds in a variety of ways, including by distracting the Managers and harming relationships between the Clients and Private Funds and their Portfolio Companies or other investors in such Portfolio Companies.

Tax Risks

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE ANYTHING CONTAINED IN THESE RISK FACTORS AS TAX ADVICE AND ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS CONCERNING THE TAX ASPECTS RELATING TO AN INVESTMENT IN A CLIENT OR PRIVATE FUND. THESE RISKS ARE NOT INTENDED TO BE ALL INCLUSIVE.

Adverse Tax Consequences. The Limited Partners could be exposed to one or more adverse tax consequences as a result of an investment in a Client or Private Fund. The Clients and Private Funds have sought no rulings from the Internal Revenue Service with respect to any tax matters relating to the Clients and Private Funds, and each prospective investor should consult its own tax advisor as to the relevant tax considerations and as to how those considerations may affect its investment and to determine whether an investment in a Client or Private Fund is a suitable investment. Significant and fundamental changes in the federal income tax laws have been made in recent years and additional changes are likely. Any such change may affect the Clients and Private Funds and the Limited Partners. Moreover, judicial decisions, regulations or administrative pronouncements could unfavorably affect the tax consequences of an investment in the Clients or Private Funds.

Income without Distributions. The Clients and Private Funds will be treated as partnerships for United States federal income tax purposes. Under the method by which income and gain are allocated to the partners, it is possible that a Limited Partner may receive an allocation of taxable income and gain from the Client or Private Fund without receiving a corresponding (or any) distribution of cash. Thus, a Limited Partner may be required to pay taxes on income and gain for which it has not yet received a distribution.

Audits. An audit of a Client's or Private Fund's tax returns could result in an audit of the Limited Partners' tax returns. The proper federal income tax treatment of all Client or Private Fund items will be determined at the Client or Private Fund level. Adjustments, if any, resulting from an audit of the Client or Private Fund will result in corresponding adjustments of Client or Private Fund items reflected on the Limited Partners' own tax returns. Under the Fund Governing Documents,

Activant (or its designee) will be the “tax matters partner” pursuant to Code Section 6231(a)(7) with respect to tax years beginning on or before December 31, 2017. The tax matters partner has the authority to bind certain Limited Partners to settlement agreements and the right on behalf of the Client or Private Fund and thus all Limited Partners to extend the statute of limitations relating to the Limited Partner’s tax liabilities with respect to Client or Private Fund items.

Under the Fund Governing Documents, Activant (or its designee) will be the “partnership representative” pursuant to Code Section 6222(a) with respect to tax years beginning after December 31, 2017. The partnership representative will have the authority to bind certain Limited Partners to settlement agreements and the right on behalf of the Client or Private Fund and thus all Limited Partners to extend the statute of limitations relating to the Limited Partner’s tax liabilities with respect to Client or Private Fund items. No Limited Partner will have the ability to enter into an independent settlement with the Internal Revenue Service with respect to Client or Private Fund items or petition the U.S. Tax Court to challenge an adjustment. If an audit of the Client or Private Fund results in an imputed underpayment, the Client or Private Fund may pay the taxes, penalties, and interest itself or Activant may elect to “push out” such taxes, penalties and interest to each partner from the tax year which was audited. If Activant elects for the Client or Private Fund to pay such taxes, penalties and interest, a Limited Partner may bear a greater portion of such amount than such Limited Partner would have borne if the adjustment was “pushed out” to the partners. The payment of taxes, interest and penalties by the Client or Private Fund generally would be made for the year such assessment is made, rather than for the tax year which was audited, which could result in some Limited Partners economically bearing a larger portion of any tax liability than they would have borne if the Client or Private Fund had reported the item as adjusted in the year of the adjustment, including Limited Partners who were not Limited Partners in the year of the adjustment. If Activant elects to “push out” the taxes, penalties and interest to the partners, a person that was a Limited Partner during the tax year which was audited but not a Limited Partner at the time of assessment may have tax liabilities with respect to Client or Private Fund tax items from the audited year. These risks are not intended to be all inclusive.

CURRENT AND PROSPECTIVE LIMITED PARTNERS ARE NOT TO CONSTRUE ANYTHING CONTAINED IN THESE RISK FACTORS AS TAX ADVICE AND ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS CONCERNING THE TAX ASPECTS RELATING TO AN INVESTMENT IN A CLIENT OR PRIVATE FUND.

Limits of Risk Disclosures. The above discussions of the various risks associated with the Clients and Private Funds are not, and are not intended to be, a complete enumeration or explanation of the risks involved in an investment in the Clients and Private Funds. The risk factors described above are the principal risk factors associated with an investment in the Clients and Private Funds, as well as those risk factors generally associated with an investment fund with investment objectives, investment policies, capital structure, or investment strategies similar to those of the Clients and Private Funds. Prospective investors should read these risks carefully and consult with their own advisors before deciding whether to invest in any Client or Private Fund. In addition, as a Client’s or Private Fund’s investment program changes or develops over time, an investment in such Client or Private Fund may be subject to risk factors not described in these risk factors or not yet known.

The descriptions of specific investment strategies and methods that may be engaged in by us should not be understood as in any way to limit our investment activities. For example, we may move client assets to cash equivalents or Treasuries for defensive purposes or in an effort to preserve capital in the event we have identified what we feel is a widespread market disruption. We may engage in investment strategies and methods not described that we consider appropriate; provided, however, we will keep Clients' and Private Funds' investors informed of any material change in our overall strategy or approach. There can be no assurance that the investment objective of a Client or Private Fund will be achieved. Fund Investors must be prepared to lose their entire investment. Investing in private securities involves risk of loss that the Clients' and Private Funds' investors should be prepared to bear. An investment with Activant is not a complete investment program and should represent no more than a portion of a Fund Investor's portfolio management strategy. By investing with Activant, investors are relying on the discretionary market judgment of Activant, without any meaningful diversification, leverage, or strategy concentration limitations. An investment with Activant is speculative and involves substantial risks, including, without limitation, general market and investment risks, risks associated with certain instruments, trading techniques and strategies, capital structure risks, structural risks and tax risks. Prospective investors are encouraged to consult their own financial, legal, and tax advisers regarding their individual circumstances and the suitability of an investment. Please refer to each Client's or Private Fund's Fund Governing Documents for a more detailed description of such risks.

Item 9: Disciplinary Information

Neither Activant, nor any of its employees or other management persons has been involved in any legal or disciplinary events that would require disclosure in response to this Item.

Item 10: Other Financial Industry Activities and Affiliations

The Affiliated Advisers (i.e., Activant Ventures Management, LLC, Activant Ventures Advisors I, LLC, and Activant Ventures Advisors II, LLC) are substantially controlled by the same owners as Activant Capital. An Affiliated Adviser at times also serves as the general partner of the Private Funds, Special Purpose Entities, or Co-Investment Vehicle Clients. The general partners of the Clients and Affiliated Advisers possess substantially the same personnel as Activant and are under common control with Activant Capital. General partner affiliates or relying advisers are typically formed for legal, tax, regulatory, or other purposes. This Brochure also describes the business practices of the Affiliated Advisers or relying advisers which operate as a single advisory business together with Activant Capital. Our Clients and Private Funds do not have independent management. Although this arrangement may give us heightened control and discretion, we manage any potential conflicts of interest by strictly adhering to the investment strategy and investment allocation policy discussed in each Client's Fund Governing Documents.

Advisory Committee

Activant's Private Funds have formed advisory committees (the "Advisory Committees") composed of Limited Partners (or their designees). The size of each Advisory Committee is determined by Activant. Certain Limited Partners (as determined by Activant in its sole

discretion) shall be granted rights to designate members of the Advisory Committees. The duties of the Advisory Committees shall be to: (i) be available to offer advice to Activant regarding the activities of the Private Funds; (ii) review and approve transactions involving potential conflicts of interest; and (iii) undertake such other duties as are required by the Fund Governing Documents or reasonably requested by Activant.

Co-Investment Arrangements

Activant may, in its sole discretion, offer certain Limited Partners or third parties (collectively, the “Co-investment Partners”) the opportunity to invest, outside of the Private Funds, in the securities in which the Private Funds propose to make an investment. Activant will not be obligated to provide any specific items of information or access to any Co-investment Partner and shall not be required to make any representations or warranties to any Co-investment Partner with respect to such co-investment, the Portfolio Company or any of the information provided to the Co-investment Partner. Each Co-investment Partner will typically enter into a confidentiality agreement with respect to such proposed investment on the same terms as any such agreement entered into by the Private Fund. Unless otherwise approved by a majority in interest of the Limited Partners, each co-investment will be made on or about the same time, and on terms and conditions no better than those available to the Private Funds. Existing and prospective Fund Investors should note that Activant may offer co-investment opportunities in its sole discretion, is not expected to offer co-investment to all existing Fund Investors and may allocate any such opportunities in its sole discretion. Activant will also determine, in its sole discretion, whether a Fund Investor that did not participate in the original Portfolio Company co-investment will be entitled to participate in a follow-on Portfolio Company co-investment. The allocation of co-investment opportunities and follow-on investments may involve a benefit to Activant including, without limitation, fees and additional investments in Private Funds or a new Fund Investor relationship. Current and prospective Fund Investors are invited to discuss our co-investment policies and procedures with us.

Board Memberships

Employees of Activant are anticipated to serve as officers or directors of Portfolio Companies. In their capacity as officers or directors of Portfolio Companies, such individuals may become subject to fiduciary or other duties which adversely affect the Clients. For example, Clients may be unable to sell a Portfolio Company’s securities if an Activant employee is in possession of inside information relating to such Portfolio Company.

Special Limited Partners, Contributing Affiliate and Contributing Employees

Special Limited Partners (the “Special Limited Partners”) of the Private Funds designated by Activant will not be required to make capital commitments or capital contributions to the respective Private Fund. Activant has the sole discretion to admit additional Special Limited Partners. Affiliates of Activant Capital Group LLC own a Special Limited Partner interest. One or more affiliates of Activant Capital Group LLC (collectively, the “Contributing Affiliate”) have been admitted to the Private Funds as a Limited Partner. The Contributing Affiliate will be required to make capital commitments to the Private Fund as described in the Fund Governing Documents. Certain employees of Activant (or an Affiliate thereof) may also make capital commitments to the Private Funds and be admitted as Limited Partners (each, a “Contributing

Employee”). Unlike other Limited Partners, the Contributing Affiliate and the Contributing Employees will not be charged management fees or a “carried interest.” The Contributing Affiliate and one or more Contributing Employees may finance a portion of their capital contributions using a professional loan program offered by a financial institution. The terms of such professional loan program require (i) the Contributing Affiliate and the participating Contributing Employees (collectively, the “Borrowers”) to pledge their interests in the Private Fund as security for such loans, (ii) Activant or the Private Fund to become parties to the loan documents, and (iii) Activant to guarantee the obligations of the Borrowers to the financial institution under such loan documents. Fulfilling their obligations under the loan documents could serve to divert the attention of Activant’s employees away from the Private Fund’s business. Moreover, a default by a Borrower under such loan documents could result in substantial administrative burdens being placed on the Private Fund and Activant. Additionally, any exercise of the guaranty against Activant could diminish the resources ultimately available to Activant for the fulfillment of its obligations to the Clients. Activant or its affiliates may also face liability to the financial institution for breach of their obligations under the loan documents, which could result in a material adverse effect to the Clients. Current and prospective Limited Partners are encouraged to discuss the financed capital contributions with us.

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

Activant has adopted a written Code of Ethics (the “Code”) that is applicable to all employees and access persons. The Code is designed to ensure that our firm and our supervised persons understand the need to act with competence, dignity, integrity, and in an ethical manner, when dealing with Clients, Fund Investors, the public, prospects, third-party service providers and fellow supervised persons. Among other things, the Code requires Activant and our supervised persons to act in the Clients’ best interests, abide by all applicable regulations, report conflicts of interest, report suspected violations of the Code, and pre-clear and report on various types of personal securities transactions. Activant has also imposed restrictions on personal securities trading activity that applies to access persons, as well accounts in which access persons have any beneficial ownership interest, which typically include accounts held by immediate family members sharing the same household. A copy of Activant’s Code is available to any Fund Investor or prospective Fund Investor upon request.

Activant, its employees, supervised and access persons, and affiliates (collectively “Related Persons”) have investments in Clients managed by Activant. Employees of Activant and their affiliates directly or indirectly own an interest in the Private Funds and Special Purpose Entities and may own interests in subsequent co-investment vehicles or special purpose entities. Co-investment vehicles will typically invest in one or more of the same Portfolio Companies as a Client or Clients. Co-investments may also be effected through co-investment vehicles or directly in a particular portfolio company. In addition, under certain circumstances, employees may hold personal investments in the same Portfolio Companies that our Clients hold. These personal investments could be in the same security, a related derivative, or in different parts or issues of the same issuer’s capital structure. If such an investment poses a conflict of interest, we will seek to act in a way that favors the interests of our Clients. The trading records of trades by

Activant, our access persons, or members of their immediate households will not typically be available for review by current or prospective Fund Investors. We have also established procedures designed to ensure that personal securities transactions including co-investment activities of the supervised persons and access persons of Activant will not interfere with making decisions in the best interest of Clients while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain types of securities are permitted without prior approval based upon our determination that these securities would not materially interfere with the best interest of Clients. Although our personal trading policy allows employees to invest in Clients managed by Activant, we require pre-clearance from the Chief Compliance Officer or designee for any security that is an initial public offering or private placement. We will not typically permit any proposed transaction by an employee if the transaction appears to pose a conflict of interest or is not adequately disclosed. Access persons are also required to provide reports regarding transactions and holdings in “Reportable Securities” as defined in the Advisers Act.

Activant employees (and their families) may, directly or through investments in other investment funds or otherwise, have personal or other interests in the securities in which a Client invests as well as interests in investments in which a Client does not invest. Activant and its affiliates (and their families) also have personal or business relationships with brokers, service providers (including service providers of Portfolio Companies), Fund Investors, corporate management, directors or other parties with whom Activant or the Clients themselves have relationships. As a result, Activant and employees may have conflicts of interest in allocating their time and activity between the Clients and other entities, in allocating investments among the Clients and other entities, and in effecting transactions, evaluating investments or potential investments, or retaining or evaluating services for the Clients and other entities including Portfolio Companies, including ones in which Activant (and their families) may be employed or have a greater financial interest. Although Activant will seek to limit any such conflicts and will act in a manner that is in accordance with its fiduciary duties to the Clients, these potential conflicts of interest may have an impact on an employee's ability to perform his responsibilities on behalf of a Client.

Certain supervised persons of Activant may serve on the board of directors of private or public corporations. In certain circumstances, such services may result in the receipt of material non-public information. Our firm and our officers and employees are strictly prohibited from engaging in insider trading. Under certain circumstances, we may determine that we, or one of our employees, have obtained, or may have obtained, material non-public information. Our firm maintains a “restricted list” that is designed to prevent our Clients, officers, and employees from engaging in insider trading. Our firm's use of a restricted list and caution in connection with potential exposure to material non-public information may limit the Clients' investment opportunities.

Section 206(3) of the Advisers Act makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, knowingly to sell any security to or purchase any security from a Client without disclosing to the Client in writing the capacity in which the adviser is acting and obtaining the Client's consent to the transaction. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a private fund

client's outstanding securities, a trade with another Client account or private fund client should be treated as a principal transaction. We do not anticipate engaging in principal transactions with Clients. Should we decide to engage in a principal transaction with a Client, we will affect the transaction in compliance with Section 206(3) of the Advisers Act.

Item 12: Brokerage Practices

We focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of an executing broker are not typically used. When investing in privately-negotiated transactions, we satisfy our best execution responsibilities through careful negotiation of the terms of the investment. Although we do not intend to regularly engage in public securities transactions, to the extent we do so, we expect to follow the brokerage practices described below. If a Client transacts in publicly traded securities, Activant is responsible for directing orders to broker-dealers to effect securities transactions for Clients. Activant has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the broker-dealers or counterparties to be used for a particular transaction, and commissions or markups and markdowns paid. In such an event, Activant will seek to select brokers on the basis of a variety of factors, including execution capability, commission rates, financial responsibility, the value of research provided, and responsiveness. Activant need not solicit competitive bids and does not have an obligation to seek the lowest available commissions and other costs. Accordingly, if Activant determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, Clients may pay commissions to such broker in an amount greater than the amount another broker might charge for effecting the same transaction. We also maintain policies and procedures to review the quality of executions, including periodic reviews by our investment professionals.

Activant does not enter into soft dollar arrangements or receive soft dollar credits from broker-dealers. Activant may periodically receive proprietary research from broker-dealers used to execute securities transactions. To the best of our knowledge, these services are generally made available to all comparable customers doing business with such broker-dealers. Activant does not separately compensate such broker-dealers for this research and does not pay higher transaction costs to receive such services. These bundled services are made available to Activant on an unsolicited basis and without regard to the rates of commissions charged or paid by Clients or the volume of business we direct to such broker-dealers. Nevertheless, we may have an incentive to select a broker-dealer based on our interest in receiving the research or other products or services offered by such broker-dealer, rather than on the Clients' interests in receiving the most favorable execution. Such research services could include economic research, market strategy research, industry research, and sector or company research. As a general matter, research provided by these broker-dealers would be used to service all of our Clients. However, each and every research service may not be used for the benefit of each and every Client proportionately. Research services may be shared among Activant and affiliates. We also at times engage other financial intermediaries and counterparties, such as investment banks, to provide services to Clients and/or Portfolio Companies. In selecting or evaluating such service providers, we take into account a variety of considerations, including, without limitation, price, quality of services,

financial stability and overall reputation and integrity. As a result, although we generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions; consequently, Clients may not pay the lowest commission or fees for such services.

Our Clients generally do not direct us to trade through any particular counterparty. A Client's insistence on the use of one or more particular counterparties in connection with the trading of its account can have a materially adverse effect on the quality of execution that is available to the Client. Among other things, Clients that direct our use of trading counterparties may pay higher transaction costs, be excluded from aggregated orders, and trade after our other Clients have traded.

Activant will generally execute transactions on an aggregated basis when aggregation is expected to be in the best interest of all participating Clients. When aggregating listed-security orders as well as allocating the executions, Activant will treat all participating Clients in a fair and equitable manner taking into account relevant factors that could include, without limitation, each Client's account size, diversification, cash availability, and investment objectives. Generally each Client that participates in an aggregated order will participate at the average price for all of the transactions in that security on a given business day, with transaction costs shared pro rata based on each applicable Client's participation in the transaction. We typically allocate partially filled orders pro rata in proportion to the size of the orders placed for each applicable Client to the extent practicable. However, we may deviate from our general allocation policy to avoid de minimus position sizes, or in other circumstances if we determine that a deviation is fair to all affected Clients. Instances in which client orders may not be aggregated include, but are not limited to, the following: (1) Activant determines that the aggregation is not appropriate because of market conditions; (2) situations where Activant must effect the transactions at different times or prices, making aggregation unfeasible; and (3) a determination is made by Activant not to aggregate orders because of tax, legal, regulatory or administrative reasons.

Item 13: Review of Accounts

The Investment Committee and Mr. Sarracino review the Clients' portfolios for internal portfolio management and risk management purposes. A review of a Client's account may also be triggered by any unusual activity or special circumstance. The CCO or designee also reviews Activant's accounts periodically to ensure compliance with the Clients' investment objectives and any investment restrictions.

Quarterly, each Fund Investor will generally be provided the following information pertaining to its Private Fund investment: (i) an overview of the Private Fund's investments; (ii) unaudited financial information; (iii) a statement of such Limited Partner's capital account; (iv) a statement of such Limited Partner's uncalled capital commitments; (v) the management fees charged to the account of such Limited Partner; and (vi) a statement of such Limited Partner's accrued and unpaid preferred return amount and unrepaid capital contributions. Annually, each Fund Investor will generally be provided the following information pertaining to its Private Fund investment: (i)

the items set forth in clauses (i) through (vi) above except that the financial statements will be audited; (ii) a statement setting forth any management fees and organizational expenses incurred for such year and the allocations of net profits and net losses for such year; (iii) a certification of the general partner as to certain items; and (iv) a current valuation of the Private Fund's investments and net asset value.

Item 14: Client Referrals and Other Compensation

During a fundraising for a Private Fund, Activant may compensate placement agents who introduce new limited partners to commit capital. The amount paid to third party unaffiliated placement agents is typically structured as a percentage of the capital committed by limited partners introduced by the placement agent. All such fees to placement agents are paid by Activant and not borne by the Private Funds. Placement agents that solicit or refer potential investors to our Private Funds are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. Although Activant does not have any cash solicitation arrangements, to the extent it enters into any such arrangements they will be made in compliance with Rule 206(4)-3 under the Advisers Act if applicable.

As described in **Item 5: Fees and Compensation** above, Portfolio Companies may pay Activant or its affiliates Other Direct and Indirect Compensation (e.g., transaction fees, directors' fees, consulting fees, advisory fees, Portfolio Company monitoring fees and similar fees relating to the Client's investments in Portfolio Companies that either Activant or its affiliates or employees receive in connection with the Client's investments in such Portfolio Companies). Clients will receive the benefit of any transaction fees, directors' fees, consulting fees, advisory fees, Portfolio Company monitoring fees and similar fees relating to the Client's investments in Portfolio Companies that either Activant or its affiliates or employees receive in connection with the Client's investments in such Portfolio Companies. The benefit to Clients associated with this Other Direct and Indirect Compensation often will manifest in the form of an offset to all or a portion of the management fee paid by the Clients or Limited Partners. Other Direct and Indirect Compensation does not include compensation due or received by non-employees of Activant from Portfolio Companies such as members of the Advisory Committee, board members, or senior executives nominated or recommended by Activant to Portfolio Companies. Therefore, such fees will not offset management fees payable by Clients and Fund Investors.

Item 15: Custody

Activant is deemed to have custody of Clients' assets because of the authority that Activant and/or its affiliates have over those assets. Our Clients' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Fund Investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Clients' fiscal year end. Our Clients' cash and securities are generally held by banks and broker/dealers that meet the definition of a "qualified custodian" under the SEC's "custody rule." Certain Client

assets, such as certificated private equity investments may not be reflected on the books and records of our Clients' qualified custodians though these assets would be subject to the aforementioned annual audit.

Item 16: Investment Discretion

Our Fund Governing Documents grant Activant full discretionary authority to determine, without typically obtaining specific consent from Fund Investors, the securities and the amounts to be bought or sold on behalf of a Client, to conduct the day-to-day investment operations of Clients, and to invest our Clients' assets and call capital as we believe is appropriate and in the Client's best interests. Fund Investors generally do not have authority to impose restrictions on Activant's investment discretion. By completing subscription documents to acquire an interest in one of our Clients, investors give us complete authority to manage their investments in accordance with the Fund Governing Documents they each received.

Item 17: Voting Client Securities

Activant is responsible for voting Client proxies. The terms of the Fund Governing Documents determine if Activant has authority to vote proxies on behalf of the Client, although most of the companies in which Activant invests are private companies that typically do not issue proxies. However, if Activant is issued a request to vote on certain matters, including, without limitation, proposals, amendments, consents, or resolutions on behalf of a Client, Activant has adopted proxy voting policies and procedures and will vote proxies on behalf of the Clients in a manner that serves the best interests of the Clients, as determined by Activant in its discretion. In exercising its voting discretion, Activant will attempt to avoid conflicts of interest raised by such voting decision. If a material conflict of interest is identified it will be reviewed by the Chief Compliance Officer. As necessary, when a material conflict of interest exists, we may (a) delegate the voting decision for such proxy proposal to an independent third party; (b) delegate the voting decision to an independent committee of partners, members, directors, or other representatives of the Clients; (c) inform the Client of the conflict of interest and obtain consent to vote the proxy as recommended by Activant; or (d) obtain approval of the decision from the CCO. As previously mentioned, Activant's investment professionals typically serve as board members or directors of Portfolio Companies. In situations where Activant votes the proxy for a company in which an employee of Activant serves on the board of directors, Activant has determined that such board participation does not inherently present a material conflict of interest, as the purpose for serving on the board is to maximize the return of a Client's investment and to ensure that Clients' interests are protected. Under certain circumstances, we may abstain from voting specific proxies if we believe that doing so is in the best interests of the Client(s). For example, we generally will abstain from voting proxies where (i) Clients no longer hold the securities at the time of the vote (whether or not they held them on the record date of the vote), (ii) the costs associated with exercising the proxy are deemed prohibitive (e.g., translation or travel costs); (iii) any legal restrictions on trading resulting from the exercise of a proxy, or (iv) voting in certain countries involves "share blocking," which limits Activant's ability to sell the affected security during a blocking period. A copy of Activant's proxy voting policies and procedures is available to Fund Investors upon written request.

Item 18: Financial Information

Activant has never filed for bankruptcy and is not aware of any financial condition that is expected to affect our ability to manage Client assets.