

**PART 2A OF FORM ADV**

**FIRM BROCHURE**



**Samsara BioCapital, LLC**

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This Brochure provides information about the qualifications and business practices of Samsara BioCapital, LLC (“Samsara” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at 650-285-4270 or [compliance@samsaracap.com](mailto:compliance@samsaracap.com). This information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority, and references in this Brochure to Samsara as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about Samsara is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 2**  
**MATERIAL CHANGES**

No material changes.

**ITEM 3**  
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## **ITEM 4**

### **ADVISORY BUSINESS**

#### **A. Description of the Advisory Firm**

Samsara is a Delaware limited liability company that commenced operations in 2016 and has a principal place of business in Palo Alto, CA.

Samsara's founder and managing member is Srinivas "Srini" Akkaraju, MD, PhD.

#### **B. Types of Advisory Services**

Samsara provides discretionary investment advisory services to Samsara BioCapital, L.P., a private investment vehicle organized as a Delaware limited partnership ("Samsara LP" or the "Fund"). An affiliate of Samsara, Samsara BioCapital GP, LLC ("Samsara GP") serves as the general partner of the Fund. Samsara GP is a related person of Samsara.

Samsara is a venture capital firm which primarily provides investment advice on and manages investments in public and private securities and related assets and revenue streams of life sciences and health care companies ("Portfolio Companies"). These securities include but are not limited to: (1) equity securities; (2) warrants; (3) corporate debt securities, including convertible bonds; (4) options; (5) money market funds; and (6) private "non-public" investment opportunities.

The activities of the Fund are governed by its limited partnership agreement, which specifies the investment guidelines and investment restrictions applicable to the Fund, and other offering documents (collectively, the "Governing Documents") provided to the investors in the Fund (the "Investors"). Samsara manages the Fund's investments pursuant to the Governing Document. Samsara GP retains management authority over the business and affairs of the Fund, but delegates its investment discretion to Samsara.

Samsara offers investment advice solely with respect to the investments made by the Fund. Such services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Fund, managing and monitoring the performance of such investments, and disposing of such investments.

In the future, Samsara may establish co-investment vehicles and may offer investments in the co-investments vehicles to certain Investors of the Fund at the discretion of Samsara GP. There is no guarantee for any Investor in the Fund that it will be offered such co-investment opportunities. All decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of Samsara and/or Samsara GP subject to any restrictions contained in the Governing Documents of the Fund.

#### **C. Client Investment Objectives and Restrictions**

Samsara generally has broad and flexible investment authority with respect to the Fund. The Fund's investment objective and strategy is set forth in the Fund's Governing Documents. All Investors are provided with limited partnership agreement and other offering documents prior to making an investment. Investors are urged to carefully review those documents prior to making an investment in a Fund.

Samsara tailors its investment advice to the Fund in accordance with the Fund's investment objectives, guidelines, restrictions and strategy as set forth in the Governing Documents. Generally, Samsara does not tailor its advisory services to the individual needs of Investors. Since Samsara does not provide

individualized advice to Investors, Investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing.

Samsara and Samsara GP have entered into side letter agreements with certain Investors. Side letters are negotiated prior to investment and may establish rights that supplement or alter the terms of the Governing Documents. Pursuant to such side letters, Samsara, or Samsara GP, has granted rights to certain Investors which are not available to other Investors (including without limitation, advisory committee representation, transparency rights, reporting rights, and confidentiality). Once invested in the Fund, Investors generally cannot impose additional investment guidelines, restrictions or other requirements on the Fund.

**D. Wrap Fee Programs**

Samsara does not participate in wrap fee programs.

**E. Assets Under Management**

As of February 28, 2019, Samsara had \$404,878,345 in regulatory assets under management on a discretionary basis. Samsara does not currently manage any client assets on a non-discretionary basis.

**ITEM 5  
FEES AND COMPENSATION**

**A. Advisory Fees and Compensation.**

The Fund offers interests only to “qualified purchasers” within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended. Admission to the Fund is not open to the general public. Investors and prospective investors should refer to the Governing Documents of the Fund for a detailed description of the fees.

The Fund generally compensates Samsara with a management fee based on a combination of committed capital, the cost basis of certain investments then-owned by the Fund and in some cases the net assets of the Fund (the “Management Fee”). In addition, performance-based compensation, based on the net profits allocated to each investor and calculated on a high watermark basis (the “Incentive Allocation”), is allocated to Samsara GP. Samsara GP may waive the Management Fee and Incentive Allocation for investors that are partners or employees of Samara or Samsara GP. Otherwise, the Management Fee and Incentive Allocation are generally not negotiable.

**B. Payment of Fees.**

Samsara deducts fees directly from the Fund assets. Investors do not have the ability to choose to be billed directly for fees. Management Fees are generally deducted quarterly in advance as specified in the Governing Documents. The Incentive Allocation is paid to Samsara GP when earned.

**C. Other Fees and Expenses.**

As set forth in the Governing Documents, the Fund bears all costs and expenses incurred in the holding, purchase, sale or exchange of securities (whether or not ultimately consummated), including, but not by way of limitation, private placement fees, finder’s fees, interest on borrowed money, real property or personal property taxes on investment, including documentary, recording, stamp and transfer taxes, brokerage fees or commissions, legal fees, legal and compliance expenses (including expenses related to regulatory filings, blue sky and corporate filing fees, expenses incurred in connection with the investigation prosecution or defense of any claims by or against the Fund, including claims or

investigations by or against a governmental authority, audit and accounting fees (including custody audit, if any), third-party consulting fees relating to investments or proposed investments, taxes applicable to the Fund on account of its operations, fees incurred in connection with the maintenance of bank or custodian accounts, and all expenses incurred in connection with the registration of the Fund's securities under applicable securities laws or regulations. The Fund shall also bear expenses incurred by Samsara GP in serving as partnership representative, the reasonable cost of liability and other premiums for insurance protecting the Fund, Samsara GP, the members, and Samsara and its employees from liability to third parties (including directors & officers and errors & omissions insurance costs) arising out of or related to the affairs of the fund, all out-of-pocket expenses of preparing and distributing reports to investors, out-of-pocket expenses associated with Fund communications with investors, including preparation of annual or other reports to the limited partners, out-of-pocket costs associated with fund meetings or advisory committee matters, all legal, accounting and administrator fees relating to the fund and its activities, all costs and expenses arising out of the Fund's indemnification obligation, and any other expenses related to the purchase, sale or transmittal of Fund assets.

The Fund also bears all organizational and syndication costs, fees, and expenses by or on behalf of Samsara GP in connection with the formation and organization of the Fund and Samsara GP, including legal and accounting fees and expenses subject to the terms and limitations set for in the Fund's Governing Document.

The Fund may be deemed to be paying for research and other services with bundled commission arrangements including soft dollars. Refer to Item 12 – Brokerage Practices for further information.

Samsara, Samsara GP or their members, or employees may receive management service, advisory, consultant, transaction, break-up or broken deal fees, or similar fees from Portfolio Companies, and 100% of such fees will offset the management fees payable by the Fund. In addition, Samsara, Samsara GP or their members, or employees may receive director or consulting fees from Portfolio Companies in the form of cash, restricted or unrestricted stock or stock options ("Board Fees"). Any Board Fees in excess of \$100,000 per year per Portfolio Company will generally 100% offset the management fee payable by the Fund, subject to the terms of the Governing Documents.

*Investors and prospective investors should refer to the Governing Documents of the Fund for detailed information with respect to the fees and expenses they may pay in connection with an investment in the Fund. The information contained herein is a summary only and is qualified in its entirety by such Governing Documents. For further information regarding brokerage practices, please see "Item 12 – Brokerage Practices."*

#### **D. Prepayment of Fees.**

Management Fees are generally paid quarterly in advance, as of the first day of each calendar quarter, as specified in the Fund's Governing Documents.

#### **E. Additional Compensation and Conflicts of Interest.**

Samsara's does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees.

## **ITEM 6**

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described in Item 5.A above, Samsara GP receives performance-based compensation from the Fund. The Incentive Allocation may create an incentive for Samsara to make investments that are riskier or more speculative than would be the case in the absence of such performance compensation. Notwithstanding this potential incentive, Samsara will evaluate investments in a manner that it considers to be in the best interest of the Fund, given the Fund's investment objectives, investment strategies, suitability of the investment, and risk profile.

## **ITEM 7**

### **TYPES OF CLIENTS**

Samsara provides investment advisory services to the Fund described in Item 4 above. All Investors in the Fund are "accredited investors" (as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act")), "qualified clients" (as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act")) and "qualified purchasers" (as defined in section 2(a)(51)(A) of the Investment Company Act of 1940).

Samsara does not have a minimum size for the Fund, and minimum investment commitments by Investors are determined at the discretion of Samsara GP.

## **ITEM 8**

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **A. Investment Strategies and Methods of Analysis.**

Samsara is a discretionary asset management firm pursuing a fundamentally-driven approach to life sciences investing. Samsara typically takes a large, concentrated positions in securities of life sciences companies with the potential for significant value creation over the long term. Samsara's positions can constitute a significant portion of the capital structure of the companies in which it invests and Samsara may seek an active dialogue with the management of those companies. Given its large, concentrated and relatively long-term investment strategy, as well as the volatile securities within its investible universe, Samsara expects returns to be volatile.

Samsara's investment team generally meets on a weekly basis to discuss the current portfolio, prospective positions, deal flow, industry developments, scientific developments and publications, on-going research, and overall market themes.

In evaluating securities, the main sources of information used by Samsara include, but are not limited to publicly available filings with the SEC, including annual reports and prospectuses; research materials prepared by third parties; company press releases; statements and presentation of companies and of researchers at industry, medical, and scientific conferences; scientific and medical literature, journals and publicly-disclosed study results, interviews of industry experts, including medical doctors and research scientists; primary research, such as direct surveys; and meetings with corporate management. Samsara generates internally all of the analysis that it ultimately relies upon to make investment decisions, sometimes, using as inputs into this analysis outside sources of information, including, primarily, those described above.

## **B. Material Risks Relating to Investment Strategies.**

An investment in the Funds involves a significant degree of risk that Investors should be prepared to bear. No guarantee or representation is made that the Fund will achieve its investment objective or that investors will not lose all or substantially all of their investment in the Fund. Purchases of interests in the Fund are suitable only for investors of substantial financial means who can make a long-term investment, can bear the risk of loss of their entire investment in the Fund and have no need for liquidity of their investment.

The following is a summary of certain principal risks involved with Samsara's investment strategy and its methods, described in Item 4 and Item 8.A above. The list below does not attempt to describe every possible principal risk associated with investing in the Fund. For a complete description of the risks involved in a particular strategy, please refer to the Governing Documents which contain additional disclosure of risks. Each investor in the Fund is provided with such risk disclosures in the Governing Documents. Please note that all references to Samsara in this Item 8 shall include Samsara GP, as applicable.

**Risk Inherent in Venture Capital Investments.** The types of investments that the Fund makes involve a high degree of risk. In general, financial and operating risks confronting Portfolio Companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Fund will be adequately compensated for risks taken. A loss of an Investor's entire investment is possible. In addition, the markets that such companies target are highly competitive and in many cases the competition consists of larger companies with access to greater resources. The timing of profit realization is highly uncertain.

Early-stage and development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

**Investment in Companies Dependent Upon New Scientific Developments and Technologies in the Biotechnology and Medical Device industries.** The Fund plans to focus a majority of its investing on biotechnology and medical device companies. The specific risks faced by biotechnology and medical device companies include:

- rapidly changing science and technologies;
- new competing products and improvements in existing products which may quickly render existing products or technologies obsolete;



- exposure, in certain circumstances, to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals;
- risks inherent in pre-clinical and clinical trials;
- dependence on the development and maintenance of strategic and collaborative relationships with corporate partners, government agencies, research institutions, universities and hospitals in cases where such relationships are important to the development of a product;
- difficulty of manufacturing certain products on a large scale or marketing such products economically;
- Medicaid and third-party payer attempts to reduce reimbursement rates and other changes in reimbursement coverage;
- inability to market products due to the proprietary rights of competitors;
- scarcity of management, technical, scientific, research and marketing personnel with appropriate training;
- the possibility of lawsuits related to patents and intellectual property; and
- changing investor sentiments and preferences with regard to healthcare sector investments (which are generally perceived as risky).

**Certain Legal and Regulatory Risks In Life Sciences Portfolio Companies.** Legal and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The products of Portfolio Companies and some Fund assets may be subject to extensive and rigorous regulation by United States local, state and federal regulatory authorities and by foreign regulatory bodies. There can be no assurance that products developed by the Fund's Portfolio Companies will ever be approved by such governmental authorities. Prior to the grant of marketing approvals by the U.S. Food and Drug Administration and corresponding regulatory authorities outside of the U.S., some of the products of Portfolio Companies may be required to undergo extensive investigation and clinical trials to meet stringent safety and efficacy requirements. There have been instances when the discovery of previously unknown problems with a product, manufacturer or facility have resulted in restrictions on the use or the manufacture of such product, including costly recalls or even withdrawal of the product from the market. Such events, whether voluntary or mandated by a regulatory authority, typically result in an immediate reduction or discontinuation of revenues from the product worldwide. If such an event were to occur, it would likely have a significant and adverse effect on the performance of a particular product or associated royalty interest and could have a material adverse effect on the aggregate performance of the Fund.

**Risks Associated with the Life Sciences / Healthcare Industry.** The life science and healthcare industry is dominated by large multi-national corporations with substantially greater financing and technical resources than generally will be available to the Fund's Portfolio Companies. Such large corporations may be better able to adapt to the challenges presented by continuing rapid and major scientific, regulatory, and technological changes as well as related changes in governmental and third-party reimbursement policies. Many of the Fund's Portfolio Companies will be at least partially dependent for their success upon governmental and third-party reimbursement policies that are under constant review and are subject to change at any time. Any such change could adversely affect the

viability of one or more Portfolio Companies. Within the life science, healthcare, medical device, and biotechnology industries, the development of products generally is a costly and time-consuming process. Many highly promising products ultimately fail to be proven safe and effective. Products under development and pre-clinical testing generally will require extensive clinical testing prior to application for commercial use. There can be no assurance that the research or product development efforts of the Fund's Portfolio Companies or those of their collaborative partners will be successfully completed, that specific products can be manufactured in adequate quantities at an acceptable cost and with appropriate quality, or that such products can be successfully marketed or achieve customer acceptance. Many of the Fund's Portfolio Companies will depend heavily upon intellectual property for their competitive position. There can be no assurance that the Fund's Portfolio Companies will be able to obtain patents for key inventions. Moreover, within the life sciences/healthcare industry, patent challenges are frequent. Even if patents held by the Fund's Portfolio Companies are upheld, any challenges thereto may be costly and distracting to the Portfolio Companies' management.

**Reliance on Samsara and its Managing Members.** Samsara has sole discretion over the investment of the capital committed to the Fund as well as the ultimate realization of any profits. The Investors do not receive the detailed financial information issued by Portfolio Companies that is available to the Fund. Accordingly, Investors will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by Samsara in its selection of investments. As such, the pool of funds in the Fund represents a blind pool of funds. The Investors will be relying on Samsara to identify, structure, and implement investments consistent with the Fund's investment objectives and policies and to conduct the business of the Fund as contemplated by the Governing Documents. The loss of one or more of Samsara's managing members would likely have a significant adverse impact on the business of the Fund. No assurances can be given that the managing members will continue to be affiliated with Samsara throughout the Fund's term. Notwithstanding any prior experience that the managing members of Samsara may have in making investments of the type expected to be made by the Fund, any such experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that the managing members and/or Samsara will be able to duplicate prior levels of success.

**Reliance on Portfolio Company Management.** Although Samsara may seek representation on the board of directors of each of the Portfolio Companies, the Fund will not have an active role in the day-to-day management of the companies in which it invests. To the extent that the senior management of a Portfolio Company performs poorly, or if a key manager terminates employment, the Fund's investment in such company could be adversely affected.

**Service on Board of Directors; Insider Status; Material Non-Public Information.** An officer, employee or other representative of Samsara may serve as a director of a Portfolio Company, or the Fund may be deemed to beneficially own more than 10% of the outstanding stock of a class of a Portfolio Company. As a result, under section 16 of the Exchange Act, the Fund may have to disgorge any profits from purchases and sales of the securities of any such Portfolio Company within any 6-month period. In addition, if Samsara is deemed an affiliate of such a company, Rule 144 under the Securities Act may restrict the Fund from selling more than 1% of the total outstanding common stock of any such Portfolio Company in any 3-month period. If Samsara obtains material non-public information about a Portfolio Company or during periods when directors of such Portfolio Company and their affiliates are prohibited from purchasing or selling such Portfolio Company's securities, the Fund may be prohibited from buying or selling such securities when doing so otherwise might benefit the Fund.

**Lack of Information for Monitoring and Valuing the Fund's Assets.** Despite Samsara's efforts to acquire sufficient information to monitor certain of the Fund's investments and make well-informed valuation and pricing determinations, where a security is subject to lack of available price quotations, Samsara may only be able to obtain limited information at certain times and, in some cases, may not be able to obtain information beyond the information that is publicly available. It is possible Samsara may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of its investments. The value of the Fund's assets could be significantly negatively affected by any such event. Further, Samsara may have to make valuation determinations without the benefit of an adequate amount of relevant information. The Investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by Samsara may not represent the fair market value of the securities acquired by the Fund.

**Competitive Marketplace.** The marketplace for venture capital investing has become increasingly competitive. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. Some of the Fund's potential competitors may have greater financial and personnel resources than Samsara. There can be no assurances that Samsara will locate an adequate number of attractive investment opportunities. To the extent that the Fund encounters competition for investments, returns to Investors may vary.

**Minority Investments.** A significant portion of the Fund's investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, the Fund is likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. The Fund may also invest in companies for which the Fund has no right to appoint a director or otherwise exert significant influence. In such cases, the Fund will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund.

**No Assurance of Additional Capital for Investments.** After the Fund has financed a company, continued development and marketing of products may require that additional financing be provided. The Fund expects to invest a significant portion of the Fund's capital in companies that have substantial capital needs that are typically funded over several stages of investment. No assurance can be made that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained. Alternatively, the Fund, either directly or through one of its Portfolio Companies, may elect to sell developed or undeveloped technologies to existing companies. No assurance can be made that buyers for such technologies can be located or that the terms of any such sales will be advantageous.

**Bridge Financing.** The Fund may lend to Portfolio Companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term Securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Fund.

**Leverage.** To the extent that any investment is made in a Portfolio Company with a leveraged capital structure or any Portfolio Company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such

company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by the Fund in such company could be significantly reduced or even eliminated.

**Limitations on Ability to Exit Investments.** The Fund expects to exit from its private investments in two principal ways: (i) private sales (including acquisitions of its Portfolio Companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be open to the Fund, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

**Potential Liabilities.** In connection with the Fund's investments, Samsara may negotiate the right to appoint a representative of one of the members of Samsara as a member of the Portfolio Company's board of directors. Such membership on the board of directors of a company can result in the Fund or the individual director being named as a defendant in litigation. The Fund may also participate in Portfolio Company financings at valuations lower than the valuations in preceding rounds of financing. Disputes arising out of such down-round financings may result in the Fund, Samsara, or its members being named as defendants. Typically, Portfolio Companies will have insurance to protect directors and officers, but this insurance may be inadequate. The Fund will also indemnify Samsara and its principals, among others, for liabilities incurred in connection with operations of the Fund, including liabilities arising from such suits. Such indemnification obligations and other liabilities could be substantial.

**Contingent Liabilities on Disposition of Investments.** In connection with the disposition of an investment in a Portfolio Company, the Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which Samsara may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires. Investors may also be required to return distributions previously made to them to satisfy the Fund's obligations with respect to the foregoing.

**Reserves.** As is customary in the industry, Samsara may establish reserves for follow-on investments by the Fund in Portfolio Companies, operating expenses, Fund liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of Portfolio Companies. Inadequate or excessive reserves could impair the investment returns to the Investors. If reserves are inadequate, the Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with "pay-to-play" or similar provisions. If reserves are excessive, the Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

**Absence of Liquidity and Public Markets.** A significant portion of the Fund's investments will generally be illiquid holdings. As such, there will be no or limited public markets for many of the Securities held by the Fund and limited readily available liquidity mechanisms at any particular time for many of the investments held by the Fund. In addition, the realization of value from any investments will not be possible or known with any certainty until Samsara elects, in its sole discretion, to sell the Fund's investments and subsequently distribute the proceeds to its Investors or to distribute Securities to the Investors in lieu of cash.

**Limited Portfolio Diversification.** As is typical of venture capital firms, the portfolio holdings of the Fund will not be broadly diversified. In addition, if Samsara is unable to raise sufficient capital commitments to the Fund, the diversification of the portfolio holdings of the Fund will be further limited. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to the Investors by the Fund.

**Failure to Make Capital Contributions.** If an Investor fails to pay when due installments of its capital commitment to the Fund, and the contributions made by non-defaulting Investors and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially and adversely affect the returns to the Investor. If any Investor defaults, it may be subject to various remedies as provided in the Governing Documents.

**Foreign investments.** The Fund may invest in companies that are based outside of the United States or the operations of which are primarily outside of the U.S. Any investment in a foreign country involves risks not found in the domestic securities market, including the following: the risk of economic and financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending; the risk of adverse social and political developments, including nationalization, confiscation without fair compensation, political and social instability and war; the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities; risks related to the possible lack of availability of sufficient financial information as a result of accounting, auditing, and financial disclosure standards that differ, in some cases significantly, from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; risks related to the fact that some investments may be denominated in foreign currencies and, therefore, will be subject to fluctuations in exchange rates; and risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation so that the Fund could become subject to an unanticipated local tax liability.

**Hedging, Options and Other Derivatives.** The Fund may use hedging strategies to attempt to control risk. Such hedging strategies include, but are not limited to, (i) engaging in covered transactions, such as establishing collars, for purposes of hedging the return from any investment, (ii) engaging in such transactions as Samsara deems necessary or advisable to hedge foreign currency exposure, including forward and spot contracts and (iii) buying call options. Hedging strategies may not be effective in controlling risk, due to unexpected non-correlation (or even positive correlation) between the hedging instrument and the position being hedged. The Fund may not be able to hedge a particular position, which can result in undesired exposure to that position any may lead to liquidation of that position when it is disadvantageous to the Fund.

If the Fund purchases options that it does not sell or exercise, it will lose the premium paid in such purchase. When derivatives are used for hedging, there may be no correlation between price movements in the derivative and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle, so that the Fund's return might have been better had it not attempted to hedge.

**General Risks of Fixed-Income Related Investments.** The Fund may invest in fixed-income securities. Most of these investments are subject to risks such as interest rate risk, inflation/deflation risk, limited liquidity and the other risks described below.

Interest Rate Risk. Fixed-income investments decline in value because of changes in market interest rates. When interest rates decline, the value of a portfolio invested in fixed-income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio invested in fixed-income securities can be expected to decline.

During periods of rising interest rates, the average life of certain types of securities in which the Fund may invest may be extended because borrowers choose not to repay principal on the loans to take advantage of

a below market interest rate. This increases the security's duration (the estimated period until the security is paid in full) and reduces the value of the security. This is known as extension risk. During periods of declining interest rates, an issuer of fixed-income securities may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest in lower yielding securities. This is known as call or prepayment risk. Lower-grade securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem a lower-grade obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the issuer's credit standing.

**Inflation/Deflation Risk.** Inflation risk is the risk that the value of assets or income from the Fund's investments will be worth less in the future as inflation decreases the present value of payments at future dates. Deflation risk is the risk that prices throughout the economy decline over time – the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund's portfolio.

**Credit Rating Risk.** A credit rating agency is a private company that assigns credit ratings to certain types of fixed-income obligations. Such ratings measure credit worthiness and affect the value of those securities and loans. Credit rating agencies include Moody's Investors Services, Fitch Ratings and Standard & Poor's.

**Conflicts of Interest.** The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in the Fund. The following is not intended as an exhaustive list of the potential conflicts. Instances may arise where the interest of Samsara (or its members) may potentially or actually conflict with the interests of the Fund and the Investors. For example, the existence of Samsara's Incentive Allocation may create an incentive for Samsara to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangements. Further, conflicts of interest may arise as a result of the principals of Samsara having investments in Portfolio Companies of the Fund, as well as other investments both public and private. While certain assurances are provided in the Governing Documents to address these potential conflicts, certain risks may remain. In addition, Samsara may form other investment funds for the purpose of permitting other parties to invest in the investment opportunities of the Fund. An inherent conflict of interest exists as a result of the allocation of investment opportunities by Samsara to the Fund and such other investment funds. Potential investors should understand and be willing to accept such actual and potential conflicts of interest before making an investment in a Fund.

**System and Technology Risk.** The Fund and Samsara depend on information systems and technology. A disruption in the infrastructure that supports Samsara's business, including a disruption involving order management systems, electronic communications or other services that Samsara or third parties with which it does business use, may affect Samsara's ability to continue to manage the Fund without interruption. Periods of market dislocation or abrupt regulatory change may exacerbate operational risk. Although Samsara has back-up facilities as well as technology and business continuity programs in place, these may not mitigate harm that may result from a disaster or infrastructure disruption. Also, Samsara relies on third-party service providers for certain aspects of its business, including trading and certain financial operations. Any interruption or deterioration in the performance of these third parties could materially impair the quality of Samsara's operations and negatively impact the Fund's performance.

**Financial Model Risk.** Some investments require the use of quantitative and qualitative valuation models developed by Samsara. Over time, previously highly successful models may become outdated or inaccurate, perhaps without Samsara recognizing the change before significant losses are incurred. In addition, modeling-related risks include, but are not limited to, the risk that a model may be driven by inaccurate inputs or assumptions, that a model may have embedded computational errors, and that a model omits key components or drivers of the future value of a company.

Modeling risks extend to the valuation of its non-exchange traded investments, some of which will be made on the basis of internal models in the absence of any readily determinable market value. The valuations so determined may differ materially from values that are actually realized.

**Custody and Prime Brokerage Risk.** There are risks involved in dealing with the custodians or prime brokers who settle Fund trades. The Fund's custodians (each, a "Custodian" and collectively, the "Custodians") are listed in the Samsara's Form ADV, Item 7. Although Samsara monitors the Custodians and believes that they are appropriate custodians, there is no guarantee that the Custodians, or any other custodian that the Fund may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Fund assets, the fund will not incur losses due to their assets being unavailable for a period of time, the ultimate receipt of less than full recovery of their assets, or both.

## **ITEM 9 DISCIPLINARY INFORMATION**

Samsara and its management persons have not been the subject of any material legal or disciplinary proceedings required to be disclosed in response to this item.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither Samsara nor its management persons is registered, or has an application pending to register, as: (i) a broker-dealer; (ii) a registered representative of a broker-dealer; (iii) a futures commission merchant; (iv) a commodity pool operator; (v) a commodity trading advisor; or (vi) is an associated person of any of (iii), (iv) or (v).

Samsara GP is a related person of Samsara and serves as the general partner of the Fund. In connection therewith, Samsara GP maintain investments in the Fund and provides administrative services to the Fund.

As described in Item 6, Samsara GP is entitled to receive an Incentive Allocation from the Fund, which may in certain circumstances create a conflict of interest, as described in Item 6 above.

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

Samsara has adopted a Code of Ethics (the "Code") in accordance with Rule 204A-1 under the Advisers Act of 1940 to foster compliance with applicable federal statutes and regulatory requirements, minimize circumstances that may lead to or give the appearance of conflicts of interest with clients, insider trading, or unethical business conduct as well as promote a culture of high ethical standards. Current and prospective investors may obtain a copy of the Code by contacting the Chief Compliance Officer at the information listed on the first page of this Brochure.

The Code describes Samsara's fiduciary duties and responsibilities to the Fund, requires that Samsara employee's act in the best interests of the Fund to the exclusion of contrary interest, act in good faith and in an ethical manner, avoid conflicts of interest with the Fund to the extent reasonable possible, and

identify and manage conflicts of interest to the extent that they arise. Samsara employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to Samsara or other appropriate party of any actual or suspected violations of such laws or of the Code by Samsara or its employees.

The Code also contains Samsara's insider trading policies and procedures, which are designed to prevent the misuse of material non-public information by Samsara and its officers, directors and employees. In accordance with these policies, to prevent trading of public securities based on material, non-public information, Samsara maintains, regularly updated and makes available to its employees a "restricted" securities list. Public companies about which Samsara has or is expected to have, material, non-public information is generally placed on the restricted list. While an issuer is on the restricted list, Samsara and each person subject to the insider trading policy is generally prohibited from purchasing, selling or recommending the purchase or sale of that issuer's securities in personal accounts.

Samsara employees must provide Samsara's Chief Compliance Officer with reporting as to their personal account and securities transactions. In addition, with the prior written approval of the Chief Compliance Officer, an employee may enter into a transaction in certain types of limited offerings (i.e., an offering that is exempt from registration under the Securities Act pursuant to Section 4(a)(2), Section 4(6), Rule 504, Rule 505 or Rule 506 thereunder). Employees are required to disclose their personal holdings and transaction on a quarterly and annual basis, as well as certify on a quarterly and annual basis as to the completeness of the reported holdings and transactions.

Samsara GP is a related person of Samsara and serves as the general partner of the Fund. Samsara GP also commits capital to the Fund, and as a result every investment made by the Fund involves a purchase of securities whereby related persons of Samsara acquire an indirect interest in such securities. The fact Samsara GP has a financial interest in the Fund could create a potential conflict in that it could cause Samsara to make different investment decisions than if Samsara GP did not have such a financial ownership interest. However, Samsara believes that these financial interests align Samsara's incentives with Investors.

Samsara, or an affiliate, may form co-investment vehicles to co-invest in one or more Portfolio Companies. Co-investment opportunities may not be offered to all Investors.

In certain limited instances, Samsara and/or its employees may give advice and take action for their own accounts that may differ from advice given and action taken on behalf of the Fund. In addition, and as described above, Samsara and/or its employees may invest in third-party private investment funds that invest in some of the same securities as Samsara invests in on behalf of the Fund. Further, from time to time, Samsara and/or its employees may have an investment in position or interest in the same securities recommended to or owned by the Fund. As such, Samsara may purchase or sell for the Fund securities of an issuer in which Samsara and/or its employees also have an investment position or interest. Finally, Samsara and/or its employees may hold an interest in securities prior to the Fund initiating a position in such securities.

Samsara seeks to address the above conflicts through regular monitoring of the Fund's portfolios for consistency with objectives, strategies, and target capacity. Further, Samsara carefully considers the risks involved in any investments and Samsara provides extensive disclosure to Investors regarding the potential risks that come with an investment with Samsara. As stated in Item 11.A, the Code provides guidelines for identifying and addressing conflicts of interest.

In addition, the Fund has a limited partner advisory committee ("LPAC") comprised of certain Investors in the Fund. The LPAC advises Samsara on issues relating to conflicts of interest. Samsara typically



consults with the LPAC of the Fund if a conflict of interest described in this Item 11 arises with respect to the Fund.

## **ITEM 12 BROKERAGE PRACTICES**

Samsara has discretion to determine the broker or dealer to be used for each securities transaction for the Fund, and Samsara has complete discretion in deciding the broker-dealer to be used for a particular transaction. Samsara need not solicit competitive bids and may not necessarily select the broker or dealer based on lowest pricing. In selecting broker-dealers on the basis of seeking best execution and other relevant considerations, Samsara will consider the following non-exhaustive factors: price quotes; the size of the transaction and ability to find liquidity; timeliness of execution; confidentiality; expertise in the specific financial instrument or sector, the nature of the market for the financial instrument; presence in the market of the financial instrument or sector or particular position; the broker-dealer's financial stability; reputation; prior experience with the broker, including with respect to diligence, fairness, and integrity quality of research services; and other factor deemed appropriate by Samsara. It is not Samsara's practice to negotiate "execution only" commission rates; thus Samsara may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the rate. Samsara maintains policies and procedures to ensure the periodic review of broker dealer services and executions.

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Except for services that would be a Fund expense or as otherwise described below, Samsara will limit the use of "soft dollars" to obtain service which constitute research and brokerage with the meaning of Section 28(e). Research services within Section 28(e) may include, but are not limited to, research projects (including market research and medical journals); certain financial and medical newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meeting with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between Samsara and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmation. The use of commissions arising from the Fund's investment transactions for services other than research and brokerage will be limited to services that would otherwise be a Fund expense. The use of commissions to obtain such other services would be outside the parameters of Section 28(e).

In some instances, Samsara may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software, proxy service). In such instances, Samsara will make a good faith effort to determine the relative proportion of the product or service used to assist Samsara in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting Samsara in carrying out its investment decision-making responsibilities will be paid through brokerage commission generated by client transactions and the

proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by Samsara from its own resources with the exception of products or service that would otherwise be a Fund expense, which will still be paid for through brokerage commissions.

When Samsara uses Fund commissions to obtain products and services, Samsara's Best Execution Committee meet quarterly to review and evaluate its soft dollar practices and to determine whether, the commissions used to obtain those products and services were reasonable in relation to the value of the products or services provided by the broker-dealer. This determination is viewed in terms of either the specific transaction or Samsara's overall responsibilities to the accounts over which Samsara exercises investment discretion.

Although Samsara will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commissions rates are generally negotiable and thus, selecting broker-dealers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would other be obtainable.

### **ITEM 13 REVIEW OF ACCOUNTS**

Samsara performs various daily, weekly, monthly, quarterly and periodic reviews of the Fund. These reviews are conducted by Samsara's (1) portfolio manager, (2) senior investment professionals, (3) individual in charge of finance, and (4) Samsara's third-party independent fund administrator. The Fund undergoes an annual audit, which as of the date of this Brochure, is performed by KPMG. The Fund's third-party independent administrator also independently confirms pricing, valuation, and fee calculations on a monthly basis.

On a quarterly basis, Investors in the Fund will receive unaudited financial statements and a summary of acquisitions and dispositions of investments made by the Fund during such quarter. In addition, Investors in the Fund will receive annual audited financial statements following the fiscal year-end, as well as capital account statements balances, investment summaries, market summaries, and other narrative descriptions of the events of the prior fiscal year. Samsara also may, from time to time, provide other information to investors at Samsara's discretion that it deems advisable and desirable.

### **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

As the advisory client of Samsara is a Fund, Samsara does not provide compensation for client referrals under Rule 206(4)-3 under the Advisers Act. However, the Fund utilizes certain placement agents to introduce Investors to the Fund. Pursuant to the Governing Documents, any placement agent fees paid by the Fund are subject to an offsetting reduction in management fees.

### **ITEM 15 CUSTODY**

Pursuant to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), Samsara is deemed to have custody of the assets held by the Fund because an affiliate of Samsara (Samsara GP) serves as the general partner of the Fund.

To ensure compliance with the Custody Rule, Samsara will ensure that the Fund is subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB") and that the audited financial statements of the Fund

will be prepared in accordance with generally accepted accounting principles and distributed to Investors within 120 days of the end of the Fund's fiscal year. Investors should carefully review the audited financial statements of the Fund upon receipt, and should compare these statements to any account information provided by Samsara.

As Samsara's investment program involves some investments in privately offered securities issued by venture capital stage operating companies, Samsara generally will be exempt from the requirement that such securities be maintained with a "qualified custodian." Samsara anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer's outstanding securities.

To the extent that Samsara holds any publicly traded securities or securities which are otherwise ineligible for an exemption from the qualified custodian requirement of the Custody Rule, Samsara will maintain such securities with a qualified custodian in an account in the name of the Fund or in accounts that contain only funds and securities owned by the Fund, under Samsara's name as agent or trustee for the Fund.

## **ITEM 16 INVESTMENT DISCRETION**

Samsara has discretionary authority to manage securities accounts on behalf the Fund. Samsara is authorized to make transaction recommendations to the Fund. As explained in Item 4 above, the Fund's investment strategy is set forth in detail in the Governing Documents. Investors do not have the ability to impose limitations on Samsara's discretionary authority.

## **ITEM 17 VOTING CLIENT SECURITIES**

Samsara has adopted written proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Advisers Act. In voting proxies for the Fund, Samsara is guided by general fiduciary principles. Samsara's goal is to act prudently and in the best interest of the Fund, and accordingly of investors in the Fund. Samsara seeks to consider all positive and negative consequences its vote could have on the value of the investment. When Samsara votes proxies, Samsara does so in a manner that it believes will be consistent with efforts to maximize the value of the Fund's positions. In its discretion, Samsara may choose not to vote on a particular proxy.

If Samsara encounters an identifiable conflict of interest with respect to a particular vote, with sufficient time before a vote, the managing member of Samsara and the Chief Compliance Officer will determine how to vote the proxy consistent with the best interests of the Fund and in a manner not affected by the conflict of interest. The managing member of Samsara and the Chief Compliance Officer may opt for a voting procedure by which guidance is sought from outside legal counsel on matters involving a material conflict of interest.

Investors may not direct Samsara as to how to vote in a particular solicitation.

Investors may obtain a copy of Samsara's proxy voting policies and procedures and information about how Samsara voted a proxy by contacting the Chief Compliance Officer at the contact information listed on the first page of this Brochure.

**ITEM 18**  
**FINANCIAL INFORMATION**

**A.     Prepayment of Fees**

Samsara and its affiliates do not require or solicit prepayment of advisory fees six months in advance.

**B.     Discretion over Prepaid Fees**

Samsara is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Fund or Investors.

**C.     Bankruptcy**

Samsara has not been the subject of any bankruptcy petition.