

**Item 1: Cover Page**

**Form ADV Part 2A Brochure**

**Ribbit Management Company, LLC**

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March 31, 2022

Form ADV, Part 2A (the “**Brochure**”) provides information about the qualifications and business practices of Ribbit Management Company, LLC (the “**Adviser**”). For more information on the disclosure requirements required for Part 2A see the “General Instructions for Part 2 of Form ADV” by visiting <https://www.sec.gov/about/forms/formadv-instructions.pdf>. If you have any questions about the contents of this Brochure, please contact the Adviser at (650) 485-3758 or [www.ribbitcap.com](http://www.ribbitcap.com).

Additional information about the Adviser is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for the Adviser is 165308. The Adviser is registered as an investment adviser with the Securities and Exchange Commission (the “**SEC**”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

**Item 2: Material Changes**

The last annual amendment to this Brochure was filed with the SEC on March 31, 2021. Since then, the following material changes have occurred and are reflected in this Brochure:

Effective October 1, 2021, Jessi Brooks was named Chief Compliance Officer.

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#### Item 4: Advisory Business

The Adviser is an investment advisory firm organized as a Delaware limited liability company. The Adviser was founded in 2012 by Meyer Malka, who is the principal owner of the Adviser.

The Adviser provides discretionary investment management services to affiliated venture capital funds (each a “**Fund**” and collectively, the “**Funds**”)<sup>1</sup>. The Adviser’s services to the Funds consist of (i) investigating, identifying and evaluating investment opportunities; (ii) structuring, negotiating and making investments on behalf of the Funds; (iii) managing and monitoring the performance of such investments; and (iv) exiting such investments on behalf of the Funds. The Adviser’s services to each Fund are subject to the specific investment objectives and restrictions applicable to such Fund, as set forth in such Fund’s limited partnership agreement and other governing documents (collectively, the “**Governing Documents**”).

The Funds are offered exclusively to individuals and other persons who qualify as “accredited investors” under Regulation D promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”), and/or “qualified purchasers” as defined under Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “**Company Act**”) and are therefore not required to register as investment companies with the SEC in accordance with the exemptions set forth in Sections 3(c)(1) or 3(c)(7) of the Company Act.

The Adviser primarily invests in holding equity and equity-oriented securities of privately held companies with a particular focus on investments in financial services companies that leverage new disruptive business models and mobile and tablet devices.

Investors and prospective investors in each Fund should refer to the Governing Documents of that Fund for information on the investment objectives and investment restrictions with respect to that Fund. There can be no assurance that any of the Funds’ investment objectives will be achieved. As such, the Adviser’s services are generally not tailored to the individualized needs of any particular investor of the Funds. Since the Adviser does not provide individualized advice to investors (and an investment in the Funds does not, in and of itself, create an advisory relationship between the investor and the Adviser), investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing.

The Adviser does not participate in wrap fee programs.

As of December 31, 2021, the Adviser had approximately \$14,674,943,828 discretionary assets under management.

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<sup>1</sup> “Fund” or “Funds” means a private investment fund to which the Adviser provides investment advice and/or invest on a discretionary or nondiscretionary basis. The individuals and other persons that invest in the Adviser’s private investment funds are generally referred to herein as “investors.” Unless otherwise expressly stated herein, the terms “Fund” and “Funds” do not include “investors.”

## Item 5: Fees and Compensation

The Adviser or its affiliates generally receive Management Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. Additionally, consistent with the Governing Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Below is a discussion of how the Adviser is generally compensated in connection with providing advisory services to the Funds. The information contained herein is a summary only and is qualified in its entirety by the Funds' Governing Documents. Investors and prospective investors are advised that they should consult with their own legal, financial, tax, and other advisers when making any investment decision.

### Management Fees

For its services to each Fund, the Adviser receives a management fee (the “**Management Fee**”) which is based on a percentage of capital commitments. The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Adviser and are set forth in such Fund's Governing Documents received by each investor prior to making investment in such Fund. Typically, the Adviser will prepare detailed quarterly budgets for the upcoming fiscal year including normal operating expenses to be incurred for each Fund. The Funds each have an advisory board comprised of representatives designated by the Adviser and comprised of three to five representatives of unaffiliated investors in the Fund (the “**Advisory Board**”). The Advisory Board approves the budget prepared by the Adviser provided that the annual fee percentage is between 1% and 2.5%. The fee is generally paid quarterly in advance from the initial closing date until the termination of the Fund.

Management Fees paid by a Fund may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund's activities and investments, or by certain organizational or other expenses borne by such Fund, as described in more detail below.

The Adviser will refund any pre-paid Management Fees by a Fund if the Advisory Agreement with such Fund is terminated before the end of the billing period. Management Fee refunds are calculated on a pro-rata basis for partial periods.

The Management Fees and other fees and distributions described herein are generally subject to modification, waiver, or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund. The fee structures described herein may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

### Other Fees

Additionally and as more fully described in the Funds' Governing Documents, the General Partners of the Funds, the Adviser, or any of the Principals shall have the right to contract for and receive directors' fees or consulting fees, break-up fees, topping fees, investment banking fees, acquisition or disposition fees, or equivalent compensation or other similar fees in connection with investments made by the applicable Fund or from portfolio (whether paid in cash or in-kind), collectively, (“**Fees Subject to Offset**”); provided, however, that 100% of the amount of such Fees Subject to Offset so received, net of applicable related expenses (without duplication) shall reduce on a dollar-for-dollar basis any future payment of the Management Fee due. Fees Subject to Offset shall not include fees paid to an individual whose primary relationship with the Adviser is as a mere “venture partner”, “entrepreneur-in-residence”, “executive-in-residence”, “consultant”, “contractor” or “adviser” (as those terms are generally understood in the venture capital industry); provided, however, that for the avoidance of doubt fees received by fulltime, permanent employees of the Adviser shall be considered Fees Subject to Offset.

### Expenses

#### Adviser Expenses

To the extent provided in the Advisory Agreements and the Governing Documents of the Funds, the Adviser will pay out of Management Fees the following normal overhead and administrative expenses incurred by the Management Company or its Affiliates in connection with the management of the Partnership: (i) salaries and wages of the employees of the Partnership, the General Partner, the Management Company and their respective Affiliates; (ii) rentals payable for space used by the Management Company or the Partnership; and (iii) expenditures for equipment used by the Management Company or the Partnership.

#### Fund Expenses

The Adviser and its affiliates generally pay all of their own operating and overhead costs and expenses, including salaries, benefits and rent. In addition to any Management Fees payable to the Adviser, a Fund will incur certain charges imposed by third parties and other expenses. Such expenses include (but are not limited to): (i) organizational and liquidation expenses of each Fund; (ii) any sales or other taxes that are assessed against the Fund; (iii) commissions or brokerage fees or similar charges incurred in connection with the purchase or sale of securities, including any merger fees payable to third parties (whether or not any such purchase or sale is consummated); (iv) fees (if any) and expenses of members of the Fund's Advisory Board (including travel-related costs and expenses); (v) the costs and expenses (excluding travel-related expenses, other than travel-related expenses of members of the Fund's Advisory Board) of hosting annual or special meetings for the Fund's investors or advisory committee, or otherwise holding meetings or conferences with investors of the Fund, whether individually or in a group; (vi) interest expense for borrowed money (if any); (vii) all expenses relating to litigation and threatened litigation involving the Fund, including indemnification expenses; (viii) expenses attributable to certain consulting services (other than consulting fees for services that could have been reasonably rendered by the Adviser, its partners and employees) and to normal and extraordinary investment banking, commercial banking, accounting, auditing, tax, appraisal, insurance, legal, custodial and registration services provided to the Fund, including, without limitation, all such services relating to the actual or proposed purchase or sale of securities by the Fund (whether or not any such purchase or sale is consummated); (ix) other due diligence expenses (such as market diligence and background checks) with respect to actual or proposed investments by the Fund, whether or not consummated; (x) "broken-deal" fees and expenses, other than travel, incurred in connection with proposed investments by the Fund that are not consummated; (xi) fees payable to any placement agent engaged by the Adviser in connection with the offering of interests in the Fund (subject to an offset of such amount against the Management Fee payable by the Fund to the Adviser); and (xii) all other expenses properly chargeable to the activities of the Fund.

#### Brokerage Fees

The Adviser does not maintain any trading accounts and does not use "soft" dollars.

#### Performance Fees

In addition, affiliates of the Adviser, as general partners of the Funds, typically receive certain allocations and distributions calculated and charged based on a share of capital gains on or capital appreciation of the assets of such Fund, as negotiated and determined at the time such Fund is established and as set forth in its Governing Documents. These allocations and distributions are commonly known as "carried interest". The Adviser's affiliates generally do not receive carried interest until all investors have received aggregate distributions equal to the sum of their capital contributions to the Fund. Management Fees and carried interest distributions are not negotiable.

Management Fees are typically funded with capital contributions drawn for such purpose but may also be funded with or withheld from proceeds from investments. Carried interest distributions generally will be distributed to the Adviser's affiliate from time to time upon the disposition of investments by a Fund and are distributed to such affiliate in accordance with the terms of the applicable Governing Document.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

As noted under **Item 5** above, one or more of the Adviser's affiliates is typically entitled to receive carried interest distributions with respect to the Funds. The carried interest or incentive distribution is effectively equivalent to a percentage of a Fund's net profits, subject to certain terms and conditions set forth in the Governing Documents of the Fund. Any share of Fund net profits paid to the Adviser's affiliates is separate and distinct from any annual Management Fees and other fees paid or borne by the Funds.

As a fiduciary, the Adviser recognizes that it must treat all the Funds fairly and must refrain from favoring one Fund's interests (or the Adviser's own interests) ahead of another Fund(s). Carried interest distributions could motivate the Adviser to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. For example, a carried interest distribution generally entitles the Adviser's affiliates to a percentage of the net profits of a Fund; however, such affiliates are not required to bear the same proportion of the net losses, if any, suffered by the Fund as a whole. The Adviser generally attempts to mitigate conflicts of interest associated with carried interest distributions through: (i) the requirement that invested capital be returned to investors before the Adviser's affiliates are entitled to receive any carried interest distributions; (ii) the requirement that the Adviser and/or its affiliates have a capital commitment to the applicable Fund; and (iii) the periodic clawback obligations of the Adviser's affiliates.

The method of calculating the carried interest may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. Certain of the Adviser's individual employees, agents and affiliates may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflict.

In general, the Adviser attempts to address any material conflicts through full and fair disclosure in the applicable Governing Documents and this brochure.

In addition, an affiliate of the Adviser is a sponsor of Ribbit LEAP, Ltd., a special purpose acquisition company (or "**SPAC**"). Conflicts may arise as a result under a number of circumstances including, in allocating the time of the personnel of the Adviser, as well as, in the event that (i) such SPAC enters into a transaction with a portfolio company of any Fund, (ii) any Fund determines to make an investment in such SPAC, or (iii) any Fund determines to make an investment or commit to make a future investment alongside the SPAC. Further, the SPAC's sponsor committed "at-risk" capital at the time of the initial public offering, which the sponsor loses if an initial business combination (or "**IBC**") is not consummated. As such, the sponsor of a SPAC may be incentivized to find a target for an IBC both to avoid loss of "at-risk" capital, and because the Adviser or an affiliate could potentially receive carried interest upon the sale of the portfolio company to the SPAC. The Adviser will seek to resolve all conflicts in a manner that the Adviser deems fair and equitable to the extent possible under the prevailing facts and circumstances and consistent with the governing documents of the applicable Fund and of such SPAC.



**Item 7: Types of Clients**

Currently, the Adviser provides investment advisory services solely with respect to affiliated private pooled investment vehicles, its sole advisory clients.

The Funds generally impose a minimum initial investment requirement, which varies from Fund to Fund. The minimum initial capital commitment generally required for an investor in a Fund is typically \$50,000 (subject to the Adviser's discretion to accept a lesser amount as well as the applicable Governing Documents).

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

The Adviser generally seeks long-term capital appreciation through investment in companies and assets in the financial technology sector. The Adviser invests directly and indirectly in equity and equity-related instruments of private companies. Among other things, it may also invest in alternative assets and digital assets, including cryptocurrency and related tokens.

The Adviser invests in private companies across all stages of development, including early-stage companies where the Adviser is one of the initial institutional investors.

If portfolio companies achieve or exceed their objectives, or management identifies new opportunities for growth, the Adviser may continue to fund them throughout their lifecycle, maintaining the Adviser's investment position in the company. In the context of direct investments, the Adviser is often a member on the board of directors and takes an active role in the management of portfolio companies.

Prior to investing in a company, the Adviser conducts due diligence to analyze, among other things, the company's market and growth potential of the market, the management team of the company, unique assets such as brand strength and intellectual property, and potential exit strategies. The Adviser seeks to identify operational enhancements to add value to portfolio companies following the investment.

The strategies that the Adviser employs entail a significant degree of risk and could result in substantial losses under certain circumstances. Accordingly, an investment in a Fund managed by the Adviser should be undertaken only by investors capable of evaluating and bearing the risks of the investment. Please refer to the Governing Documents of the applicable Fund for more complete information on the investment strategies employed by such Fund and corresponding risks associated with such investment strategies.

Such risks include those related to the Adviser's focus on the financial technology sector as well as general risks related to investing in the types of funds that the Adviser manages. Below are summaries of certain of those risks.

***Risk Inherent in Venture Capital Investments.*** The types of investments that the Adviser anticipates making 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 each Fund will be adequately compensated for risks taken. A loss of an investor's entire investment is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Fund's life, while successes, if any, often require a long maturation.

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.

***Digital Assets Specific Risks.*** Digital assets, including cryptocurrencies and related tokens,

involve significantly high degrees of risk and are not appropriate investments for all investors. Digital assets have limited performance histories, can be extremely volatile, and are not subject to many of the regulatory oversights that other investable assets are subject to. Any regulatory changes in relevant jurisdictions may adversely impact the value of the digital assets as well as the vehicles, entities, and/or investments associated with the digital assets. Digital assets are inherently subject to higher levels of risks associated with cyberattacks including, but not limited to, large scale hackings of digital asset exchanges and cryptocurrency companies. These risks should be understood and only capital that investors can risk losing should be given to the Adviser to manage.

***Investment in Companies Dependent Upon New Scientific Developments and Technologies.*** The Adviser focuses a significant portion of its investing on financial technology companies. The value of each Fund's interests may be susceptible to factors affecting the financial markets or technology industry and to greater risk and market fluctuation than an investment in a fund that invests in a broader range of securities. The specific risks faced by such companies include:

- rapidly changing technologies;
- products or technologies that may quickly become obsolete;
- scarcity of management, technical, scientific, research and marketing personnel with appropriate training;
- the possibility of lawsuits related to patents and intellectual property; and
- rapidly changing investor sentiments and preferences with regard to investments in the financial technology sector.

***Changing Economic Conditions.*** The success of the Adviser's investment strategy could be significantly impacted by changing external economic conditions in the U.S. and global economies. The events impacting the stability and sustainability of growth in global economies such as conditions affecting the general economy, industry or sector and overall market changes may impact portfolio companies, and/or securities held as underlying assets of investments in a Fund. Contributing factors include local, regional, or global political, social, or economic instability, terrorism or acts of war, and governmental or governmental agency responses to economic conditions. Finally, general market currency, interest rate, and commodity price fluctuations may also affect security prices and income. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

***Public Health Crises; COVID-19.*** The global COVID-19 pandemic has had, a future public health crisis, pandemic, epidemic or outbreak of a contagious disease could have, an adverse impact on global, national and local economies, which could negatively impact fund clients. Disruptions to commercial activity relating to health crises, such as the imposition of quarantines or travel restrictions, and a failure of containment efforts, may adversely impact a fund client's investments. In addition, the imposition of travel restrictions may impact the ability of the Advisors' personnel to travel in connection with potential or existing investments of a fund client or to the Advisors' offices, which could negatively impact the ability of the Advisors to effectively identify, monitor, operate and dispose of investments. Finally, the COVID-19 pandemic has contributed to, and may continue to contribute to, volatility in financial markets, including changes in interest rates, and could reduce the availability of debt financing to a fund client and potential purchasers of a fund client's investments, which could have material and adverse impact on a fund client's returns. The impact of the COVID-19 pandemic or any future public health is difficult to predict, which presents material uncertainty and risk with respect to a client's performance.

***Cyclical Conditions.*** Economic and business cycles are unpredictable and may frequently fluctuate between long term expansions and contractions. The magnitude and duration of cyclical fluctuations make it difficult to predicting economic trends, making it difficult to forecast the value of securities that could be affected by these changing trends.

***No Assurance of Returns.*** There can be no assurance that the investors in the Funds will receive distributions from the respective Funds in an amount equal to their investment in the Funds. The timing of profit realization, if any, is highly uncertain.

***Reliance on the Adviser.*** The Adviser has sole discretion over the investment of the funds committed to the Funds as well as the ultimate realization of any profits. As such, the pool of funds in the Funds represent a blind pool of funds. Investors in the Funds will be relying on the Adviser to conduct the business as contemplated by this document. The loss of one or more senior investment professionals of the Adviser could have a significant adverse impact on the business of the Funds. No assurances can be given that each key personnel will continue to be affiliated with the Adviser throughout the term of the Funds. Notwithstanding any prior experience that members of the Adviser may have in making investments of the type expected to be made by the Funds, any such prior experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that members of the Adviser will be able to duplicate prior levels of success.

***Competitive Marketplace.*** The marketplace for venture capital investing has become increasingly competitive. Involvement 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 historically high levels. Some of the Funds' potential competitors may have more relevant experience, greater financial resources and more personnel than the Adviser. There can be no assurances that the Adviser will locate an adequate number of attractive investment opportunities. To the extent that the Funds encounter competition for investments, returns to limited partners may vary.

***Minority Investments.*** The majority of the Adviser investments are expected to be minority stakes in privately held companies. The Funds may also invest in companies for which the Funds have no right to appoint a director or otherwise exert significant influence. In such cases, the Funds rely significantly on the existing management and Board of Directors of such companies, which may include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. In addition, during the process of exiting investments, the Funds are highly 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 Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded to majority or controlling stakes.

***No Assurance of Additional Capital for Investments.*** After the Funds have financed a company, continued development and marketing of products may require that additional financing be provided. In particular, financial technology companies—a sector in which the Funds expect to invest—generally 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 Funds, either directly or through one of its portfolio companies, may elect to sell developed or undeveloped technology to existing companies. No assurance can be made that buyers for such technology can be located or that the terms of any such sales will be advantageous.

***Future and Past Performance.*** The Adviser's prior performance is not necessarily indicative of the Adviser future results, and the performance of any one Fund is not indicative of the performance of any

other Fund. While the Adviser intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principle is possible on any given investment.

**Bridge Financing.** The Funds 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 long-term equity; however, for reasons not always in the Adviser'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 Funds.

**Limitations on Ability to Exit Investments.** The Adviser expects to exit from its 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 Funds, 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 its investments, the Adviser may negotiate the right to appoint one of the principals of the Adviser 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 Funds or the individual director being named as a defendant in litigation. Typically, portfolio companies will have insurance to protect directors and officers, but this insurance may be inadequate. The Funds will also indemnify the Adviser and its principals, among others, for liabilities incurred in connection with operations of the Funds, 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 Adviser 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 Funds 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 the Adviser 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.

**Absence of Liquidity and Public Markets.** The Adviser's investments are generally private, illiquid holdings. As such, there is no public market for the securities held by the Funds and no readily available liquidity mechanism at any particular time for any of the investments held by the Funds. In addition, the realization of value from any investments will not be possible or known with any certainty until the Adviser elects, in its sole discretion, to sell the Funds' investments and subsequently distribute the proceeds to its investors or to distribute securities to investors in lieu of cash.

**No Market; Illiquidity of Fund Interests.** An investment in the Funds is illiquid and involves a high degree of risk. There is no public market for limited partnership interests in the Funds, and it is not expected that a public market will develop. Consequently, limited partners bear the economic risks of their investment for the term of the Funds. Prospective investors will be required to represent and agree that they are purchasing the limited partnership interests for their own account for investment only and not with a view to the resale or distribution thereof.

**Certain Limitations on Ability of Limited Partners to Transfer Their Interests in the Funds.** The transferability of interests in the Funds is restricted by the Governing Documents and by United States federal and state securities laws. In general, limited partners are not able to sell or transfer their limited

partnership interests to third parties without the consent of the Adviser.

**Limited Portfolio Diversification.** As is typical of venture capital firms, the portfolio holdings of the Funds will not be broadly diversified, particularly as the Funds invest primarily in the financial technology sector. A downturn of the economy or in the business of any one portfolio company could impact the aggregate returns delivered to investors by the investing Fund.

**Legal, Tax and Regulatory Risks.** Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Funds.

**Conflicts of Interest.** Instances may arise where the interest of the Adviser (or its members) may potentially or actually conflict with the interests of the Funds and limited partners. For example, the existence of the Adviser's carried interest may create an incentive for the Adviser to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based arrangements. Further, conflicts of interest may arise as a result of the members of the Adviser having investments in portfolio companies of both existing entities and the Funds, as well as other investments both public and private.

**Failure to Make Capital Contributions.** If a limited partner fails to pay when due installments of its capital commitment to certain of the Funds, and the contributions made by non-defaulting limited partners and borrowings by the Funds are inadequate to cover the defaulted capital contribution, the Adviser may be unable to pay Funds' obligations when due. As a result, the Funds may be subjected to significant penalties that could materially and adversely affect the returns to limited partners (including non-defaulting limited partners). If a limited partner defaults, it may be subject to various remedies as provided in the Governing Documents, including forfeiture of its interest.

**Limited Operating History.** The Adviser's Funds are entities with limited operating history. The Adviser's investment program should be evaluated on the basis that there can be no assurance that the Adviser's assessment of the prospects of investments will prove accurate or that the Funds will achieve its investment objective. Past performance of the principals of the Adviser is not necessarily indicative of future results.

**Lack of Limited Partner Control.** Subject to the implementation of the investment limitations set forth in the Governing Documents or subject to applicable law, the Adviser has complete discretion with respect to the Funds' portfolio. The limited partners will not make decisions with respect to the management, disposition or other realization of any investment made by the Funds, or other decisions regarding the Funds' business and affairs.

**Investment Company Act of 1940.** The Funds are not subject to the provisions of the Companies Act, in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the Companies Act. The Funds' Governing Documents contain representations and restrictions on transfer designed to ensure that the conditions of one or both of these provisions are met.

**Securities Act of 1933.** Interests in the Funds are not registered under the Securities Act, in reliance upon exemptions for transactions not involving a public offering. Each investor is required to execute certain agreements in connection with its subscription for the interest in the Fund, and in so doing will make certain representations to the Adviser.

**THE FOREGOING RISKS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS INVOLVED IN INVESTING IN THE FUNDS. POTENTIAL INVESTORS ARE URGED TO READ THIS ENTIRE DOCUMENT AND THE APPLICABLE GOVERNING DOCUMENTS BEFORE MAKING A DETERMINATION WHETHER TO INVEST IN THE FUNDS.**

**Item 9: Disciplinary Information**

Neither the Adviser, nor any of its managers, officers or principals have been involved in any investment-related criminal or civil actions in a domestic, foreign or military court.

Neither the Adviser, nor any of its managers, officers or principals have been involved in any administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

Neither the Adviser, nor any of its managers, officers or principals have been involved in any self-regulatory organization proceedings.

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

### *Affiliated General Partners*

In connection with sponsoring any Fund, the Adviser will typically also sponsor an affiliated general partner for such Fund, which will receive the performance compensation described in **Item 5**.

### *Portfolio Company Activities*

Certain of the Adviser's employees, officers, members and/or affiliates serve (and may in the future serve) as directors, officers or committee members of the various portfolio companies of the Funds. Such persons could face conflicts of interest between discharging their duties as directors, officers or committee members, as the case may be, of such companies and acting in the best interest of the applicable Funds. Moreover, certain of the Adviser's affiliates also may serve as directors of public companies and their activities on behalf of those other companies may present actual and/or potential conflicts of interest (including conflicting fiduciary duties). The Adviser's affiliates may receive compensation from companies in their capacities as directors, officers or committee members and this compensation generally shall be shared with the Funds; provided that such amounts may reduce or offset the management fees that would otherwise be payable with respect to a Fund, as set forth in the applicable partnership agreement. See **Item 5** for further details.



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

Pursuant to SEC Rule 204A-1, the Adviser has adopted and implemented a Code of Ethics and Securities Trading Policy (the “*Code*”), which sets forth standards of conduct that are expected of the Adviser supervised persons. A copy of the Code will be provided to any investor or prospective investor upon request.

The Code requires the Adviser personnel to (among other things):

- Report their personal securities transactions and holdings;
- Pre-clear any proposed purchase of any initial public offering or limited offering; and
- Comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

The Adviser and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Adviser and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is an investor. Accordingly, should the Adviser or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Adviser would be prohibited from communicating such information to investors, and the Adviser will have no responsibility or liability for failing to disclose such information to investors as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of the Adviser’s personnel serving as directors of public companies and may restrict trading on behalf of investors, including the Funds.

The Adviser maintains a restricted list that includes issuers and securities with respect to which supervised persons generally are not permitted to trade without the prior approval of the Chief Compliance Officer. The restricted list may include, for example, an issuer about which the Adviser or one or more of its personnel may have acquired, or may otherwise be in possession of, material, non-public information.

The Adviser has also adopted policies and procedures relating to gifts and entertainment, political contributions and other potential material conflicts of interest.

The Adviser generally will allocate investment opportunities among its various Funds on a fair and equitable basis, consistent with its fiduciary obligations and the Governing Documents for the relevant Fund.

In addition to the foregoing, the Adviser or an affiliate thereof generally may, to the extent deemed appropriate, offer to any person the opportunity to invest in any transaction in which a Fund has made or will make an investment if the Adviser or its affiliate believes that the participation of such person or persons in such investment would be beneficial to the consummation or success of the investment; provided, however, that (i) no such investment may be offered to the Adviser, the general partner or any of their respective affiliates except as specifically authorized in the governing document of a Fund and (ii) such investment will be in the same securities and on substantially the same terms and conditions as the Fund’s investment. Subject to the foregoing, the Adviser or its affiliate may allocate any such opportunity to invest among a Fund or Funds and such persons as the Adviser or its affiliate may, in its discretion, determine; provided that the Adviser will not be entitled to receive any compensation in respect of any person that is not an investor in the applicable Fund or an affiliate of any such investor or any co-investment entity formed by the Adviser or an affiliate with respect to such investment.

The Adviser and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to vehicles that may differ from advice given to, or securities recommended or bought for, the Funds or other investors, even though their investment objectives may be the same or similar. The Adviser and its affiliates may from time to time cause the Funds to enter into transactions and/or arrangements involving actual or potential conflicts of interest. The Adviser and its affiliates generally review any such transactions or arrangements involving material conflicts of interest and take such actions as they deem appropriate or necessary under the circumstances in an attempt to ensure that the overall terms of such transactions or arrangements are fair and equitable under the circumstances.

Pursuant to the applicable Governing Documents, an advisory board is typically established with respect to a Fund consisting of representatives of independent investors of such Fund. An advisory board generally has or will have the authority to consider and, on behalf of the Fund and its investors, approve or disapprove (to the extent required by applicable law, the governing document or by the Adviser or its affiliate) of the annual management fee and associated budget, related party transactions, principal transactions, certain transactions or arrangements involving actual or potential conflicts of interest, matters requiring client consent under Section 206(3) of the Advisers Act, and any other matters that the general partner of the Fund elects to present thereto. Any consent or approval provided by the advisory committee on behalf of a Fund in good faith will be binding on the Fund and its investors.

## **Item 12: Brokerage Practices**

The Adviser's advisory business generally involves privately negotiated transactions with the prospective sellers and prospective buyers. Accordingly, the Adviser generally does not use, select or otherwise recommend broker-dealer or other counterparties in connection with the investment activities of the Funds.

When publicly traded securities are the subject of a trade and there is a broker selection opportunity, the Adviser will endeavor to select a broker or other counterparty on the basis of best execution and in consideration of various factors deemed relevant or appropriate, including, without limitation: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker; (iv) the broker's risk in positioning a block of securities; and (v) the competitiveness of commission rates in comparison with other brokers satisfying other selection criteria. The Adviser may cause a Fund to pay higher commissions to brokers believed to offer superior service under the circumstances, including brokers that provide investment research and analysis to their clients, including the Funds. Accordingly, when the Adviser determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the overall services provided to the Fund or Funds, including internally-developed research and other services provided by such broker, the Adviser may cause the Funds to pay commissions to such broker in an amount greater than the amount another broker might charge.

The Adviser currently does not use soft dollars generated by client accounts to pay for research and/or related services provided by brokers.

Investment opportunities generally are allocated in accordance with the provisions set forth in the Governing Documents of each Fund. See **Item 11** above.

### **Item 13: Review of Accounts**

The Adviser's officers and employees generally will participate on the boards of directors (or equivalent governing body) of the Funds' portfolio companies. The Adviser generally monitors the financial and operating progress of the business of each portfolio company on a current basis against plans and budgets, with more formal reviews as necessary. Such reviews will be conducted by one or more of the Adviser's officers. Funds are audited on a yearly basis by an independent public accountant of recognized national standing. In addition, an independent public accountant is engaged to perform a surprise examination and perform an audit of certain pooled investment vehicles that the Adviser manages.

Certain events may require other than a periodic review. Such events include a transfer or withdrawal of an investor of the Fund or material change in the business of a portfolio investment.

Investors in the Funds generally receive quarterly and annual reports and annual audited financial statements. Each of the Funds' investors will receive annual audited financial statements (prepared in accordance with U.S. GAAP) and unaudited quarterly statements of the Funds. Investors in each Fund will receive tax information in connection with the preparation of their federal income tax returns. All reports to investors to the Funds are in writing. The Adviser may provide additional information to certain investors that are not distributed to other investors in a Fund.

#### **Item 14: Client Referrals and Other Compensation**

Neither the Adviser nor any of its affiliates generally receive any economic benefit from a non-client for providing investment advice or other advisory services with respect to the Funds.

The Adviser may in the future enter into agreements or arrangements with third party placement agents that solicit and refer prospective eligible investors in one or more of the Funds to the Adviser or an affiliate thereof. In consideration of such solicitation and referral services, such placement agents receive or may receive compensation from the Adviser or its affiliates consisting of, among other things, a percentage of the Management Fee and carried interest distributions payable or distributable with respect to investors referred by such placement agents. The Adviser and/or its affiliates may also pay fees to third parties for locating or sourcing potential investment opportunities and sharing information relating thereto with the Adviser. Investors will not be charged any higher or additional fees as a result of any such placement agent arrangements. In each instance, all arrangements and payments of placement agent fees will be disclosed to applicable investors.

**Item 15: Custody**

While it is the Adviser's practice not to accept or maintain physical possession of any Fund assets, the Adviser is deemed to have custody of each Fund's securities and cash for purposes of Rule 206(4)-2 of the Advisers Act.

In order to comply with Rule 206(4)-2, the Adviser utilizes the services of a bank and other qualified custodians (as defined under Rule 206(4)-2) to hold all cash and securities of the Funds (except with respect to privately offered securities). In accordance with Rule 206(4)-2, the Adviser also (1) has engaged an independent public auditor to conduct annual audits of the Funds, and (2) distributes audited financial statements of the Funds that are prepared in accordance with United States generally accepted accounting principles to all investors in the Funds within at least 120 days after the end of the fiscal year. Qualified custodians are not expected to provide account statements directly to investors in the Funds. In addition, an independent public accountant is engaged to perform a surprise examination and perform an audit of certain pooled investment vehicles that the Adviser manages.

**Item 16: Investment Discretion**

In accordance with the terms and conditions of the applicable Governing Documents, the Adviser generally has discretionary authority to manage each Fund's investments. Accordingly, the Adviser has the authority to determine, without obtaining specific client consent but subject to the terms and conditions of the applicable Governing Documents, which portfolio companies to buy or sell and the duration of the holding period prior to exiting such investments. Despite this broad authority, the Adviser is committed to adhering to the applicable investment strategy and program set forth in each Fund's Governing Documents.

## **Item 17: Voting Fund Securities**

While the Adviser generally has proxy voting authority on behalf of the Funds, it generally does not expect to be called upon to vote with respect to securities owned by the Funds. Nevertheless, in the event that the Adviser is called upon to vote proxies, it will vote such proxies in accordance with the proxy voting policies and procedures in the Adviser's compliance manual. Pursuant to SEC rule 206(4)-6, the Adviser has established policies and procedures to address voting procedures and any conflicts of interests involved in a proxy vote between the Adviser and Funds. The Adviser's proxy voting procedures are designed to ensure that proxies are voted in a manner that is in the best interest of the Fund. The Adviser will generally vote in favor of matters that follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or present compensation plans that are commensurate with enhanced manager performance and market practices. The Adviser addresses conflicts of interest involved in a proxy vote through the following three- step process of identifying potential conflicts of interest, determining material conflicts and establishing procedures to address material conflicts. The Adviser may determine not to vote proxies in respect of securities of an issuer if it determines it would be in the Fund's overall best interest not to vote. Investors may obtain copies of the Adviser's proxy voting policies by contacting the General Counsel or Chief Compliance Officer.



**Item 18: Financial Information**

The Adviser does not require prepayment of Management Fees more than six months in advance.

Currently, the Adviser and its affiliates are not aware of any financial condition that is likely to impair the Adviser's ability to meet its contractual obligations and commitments to the Funds.

The Adviser has not been subject to a bankruptcy petition at any time since its formation in 2012.