

**FORM ADV PART 2A: FIRM BROCHURE**

**Shasta Ventures Management, LLC**

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**Form ADV Part 2A: Firm Brochure**  
**February 6, 2024**

This brochure (this “Brochure”) provides information about the qualifications and business practices of Shasta Ventures Management, LLC. If you have any questions about the contents of this Brochure, please contact Shasta Ventures Management, LLC by e-mail at [finance@shastaventures.com](mailto:finance@shastaventures.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration as an investment adviser does not imply that Shasta Ventures Management, LLC or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Shasta Ventures Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

There are no material changes to report as this is Shasta Ventures Management, LLC's initial Brochure.

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**Item 4. Advisory Business**

Shasta Ventures Management, LLC (the “Filing Adviser”) is a Delaware limited liability company that was formed in April 2004. The Filing Adviser is principally owned and controlled by Jason Pressman, its Managing Member. AZ-VC, LLC (the “Relying Adviser”) relies on the Filing Adviser’s registration. The Relying Adviser is principally owned and controlled by John Selby and Jason Pressman. In this Brochure, the Filing Adviser and the Relying Adviser are collectively referred to as the “Firm” and Jason Pressman and John Selby are together referred to as the “Principals.”

The Firm provides discretionary investment advice to one or more private funds (collectively, the “Funds”). References throughout this Brochure to “clients” refer to the Funds and any other private funds that the Firm may advise in the future.

Client accounts are managed in accordance with their own investment and trading objectives, as described in their respective offering documents and governing agreements (collectively, the “Governing Documents”). The Firm does not permit investors in the Funds to impose limitations on the investment activities described in the Funds’ Governing Documents.

An affiliate of the Filing Adviser serves as the general partner for each of the Funds advised by the Filing Adviser. Shasta Ventures II GP, LLC serves as the general partner for Shasta Ventures II, L.P.; Shasta Ventures III GP, LLC serves as the general partner for Shasta Ventures III, L.P.; Shasta Ventures IV GP, LLC serves as the general partner for Shasta Ventures IV, L.P.; Shasta Ventures V GP, LLC serves as the general partner for Shasta Ventures V, L.P.; Shasta TRL 2021 GP, LLC serves as the general partner for Shasta TRL 2021, L.P.; and Shasta HS 2021 GP, LLC serves as the general partner for Shasta HS 2021, L.P. The aforementioned general partner entities are collectively referred to in this Brochure as the “Shasta Ventures GPs.” For Funds advised by the Relying Adviser, AZ-VC Fund I, LLC and AZ-VC Fund I-B, LLC, John Selby serves as the General Manager.

As of December 31, 2023, the Firm managed approximately \$2,023,041,534 of gross assets on a discretionary basis. The Firm does not manage any assets on a non-discretionary basis.

**Item 5. Fees and Compensation**

The Firm’s fees and compensation are described in detail in each Fund’s Governing Documents.

*Fees Generally*

The Firm is generally paid management fees, in an amount based on capital commitments, from the Funds quarterly in advance. The Firm deducts such management fees from each Fund. The Firm may waive or modify the management fee payable with respect to any investor, Principal or Firm employees. Upon termination of an advisory agreement with a Fund, any management fees that have been prepaid will be returned on a prorated basis.

The Shasta Ventures GPs and affiliates of the Relying Adviser will be entitled to receive carried interest from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

*Expenses Generally*

Investors in the Funds should carefully review the expense provisions in their applicable Fund's Governing Documents for a complete description of such Fund's expense practices.

The Funds will bear certain expenses as outlined in the relevant Fund's Governing Documents, generally including, as applicable, (i) organizational expenses incurred in connection with the organization and formation of the relevant Fund and the relevant Shasta Ventures GP (including legal and accounting fees and expenses); (ii) expenses incurred in the investigation, holding, purchase, sale or exchange of securities, (whether or not ultimately consummated), (iii) expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the relevant Fund, including claims by or against a governmental authority, (iv) audit and accounting fees, consulting fees relating to investments or proposed investments, taxes applicable to the relevant Fund on account of its operations, (v) fees incurred in connection with the maintenance of bank or custodian accounts, (vi) all expenses incurred in connection with the registration of the securities under applicable securities laws or regulations, as well as expenses incurred by the applicable Shasta Ventures GP in serving as the partnership representative, (vii) the reasonable cost of liability and other premiums for insurance protecting the relevant Fund, the relevant Shasta Ventures GP, the Firm, and their affiliates from liability to third parties, (viii) all out-of-pocket expenses of preparing and distributing reports and other communications to investors and out-of-pocket costs associated with limited partner meetings or advisory committee matters, (ix) all legal and accounting fees relating to the relevant Fund and its activities, (x) all costs and expenses arising out of the relevant Fund's indemnification obligations pursuant to its Governing Documents, and all other expenses that are not normal operating expenses and (xi) all liquidation costs, fees, and expenses incurred by the relevant Shasta Ventures GP in connection with the liquidation of the relevant Fund at the end of its term.

**Item 6. Performance-Based Fees and Side-By-Side Management**

The Shasta Ventures GPs and affiliates of the Relying Adviser (collectively, the "Carry Recipients") will be entitled to receive carried interest from the Funds. Carried interest is a performance-based form of compensation in which the Carry Recipients are entitled to receive a specific share of the profits earned by a Fund after its investors have received a return of their capital.

Performance-based compensation arrangements create an incentive for the Firm to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement. Performance-based compensation arrangements could also create an incentive for the Firm to favor accounts with higher performance-based compensation rates over other accounts when allocating investments. The Firm has adopted procedures designed and implemented to seek to ensure that all clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among client accounts. All investment opportunities will, to the extent practicable, be allocated among client accounts on a basis that over time is fair and equitable to each client account relative to other accounts, taking into account all relevant facts and circumstances.

**Item 7. Types of Clients**

Investors in the Funds are generally high net worth individuals and institutional investors, including public pension plans, corporate pension plans, insurance companies, fund-of-funds, endowments, foundations, family trusts, banks and public utilities, that qualify as "accredited investors" (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended) and qualified purchasers (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended). The minimum initial investment in the

Funds will be determined by the Firm and set forth in the Funds' Governing Documents. The Firm has waived such minimum and may, in its discretion, do so in the future under certain circumstances.

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

##### *Methods of Analysis and Investment Strategies Generally*

The Firm pursues a strategy of investing in early-stage technology or technology-enabled companies in the consumer and enterprise sectors. In the case of some Funds, there is also a focus on investing in companies located in a specific geographical region. The Firm seeks to use any number of investment tools to make investments in what it believes to be the best companies. The Funds generally invest in what the Firm considers to be "core investments", in which the Firm intends to have representation on the board of directors and to be actively involved in the company's key decisions. The overall goal with each core portfolio company is to help the management team build the company to the greatest potential and maximize the return for shareholders. In some cases, the Funds may invest in seed stage companies with a compelling founder (typically less than one-million dollars per company), in other cases they may invest in high scale software businesses that are beyond the Firm's "core stage." The strategy with the seed companies is to develop relationships with the founders and be in a position to potentially lead a financing into the companies if they are able to demonstrate product market fit and other characteristics of an early-stage company. The Funds expect to realize their investments through public offerings and strategic acquisitions.

The Firm executes a rigorous due diligence process designed to support thoughtful investment decisions. The Principals believe in adhering to a flexible, yet disciplined investment process to properly focus the Firm's resources on opportunities that show the greatest potential. Every company, regardless of sector and stage, undergoes a thorough vetting process and is evaluated before an investment is made. The Firm's analysis begins with an initial review of the management team, product, market dynamics, product-market fit and business model. The Principals conduct deep diligence on all investments that pass this initial screen, including thorough analyses of the management team, technology or service, customer pipeline, customer need, competition, and investment opportunity. Seed-stage investments are subject to an abbreviated diligence process.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

##### *Risk Factors*

The Firm's investment strategy involves significant risks. A discussion of the material risks is provided below. Prospective clients and investors are strongly urged to review the applicable Governing Documents carefully and consult with their own financial, legal and tax advisers before investing with the Firm.

**RISK INHERENT IN VENTURE CAPITAL INVESTMENTS.** The types of investments that the Firm 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 the Funds 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 each Fund's term, while successes 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. 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 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.**

The Firm plans to focus a significant portion of its investing in technology companies. The value of each Fund's interests may be susceptible to factors affecting the technology industry and to greater risk than an investment in a partnership that invests in a broader range of securities. The specific risks faced by such companies include:

- rapidly changing science, technologies and consumer preferences;
- 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;
- 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 technology sector investments (which are generally perceived as risky).

**RELIANCE ON PORTFOLIO COMPANY MANAGEMENT.** Although the Firm may seek representation on the board of directors of the portfolio companies, the Firm will not have an active role in the day-to-day management of the companies in which the Funds invest. 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.

**LACK OF INFORMATION FOR MONITORING AND VALUING THE FUND'S ASSETS.** Despite the Firm's efforts to acquire sufficient information to monitor certain of the Funds' investments and make well-informed valuation and pricing determinations, the Firm 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 that the Firm 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 Funds' assets could be

significantly negatively affected by any such event. Further, the Firm may have to make valuation determinations without the benefit of an adequate amount of relevant information. As a result of these difficulties, as well as other uncertainties, any valuation made by the Firm may not represent the fair market value of the securities acquired by the Funds.

**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 Firm's potential competitors may have greater financial and personnel resources than the Firm. There can be no assurances that the Firm will locate an adequate number of attractive investment opportunities. To the extent that the Firm encounters competition for investments, returns to investors in the Funds may vary.

**AVAILABILITY OF ATTRACTIVE INVESTMENT CANDIDATES.** The ultimate success of the Funds will hinge on the Firm's ability to locate attractive investment candidates. There can be no assurances that attractive candidates will be found in sufficient quantity to allow all of the capital commitments to be drawn within the investment period.

**CHANGING ECONOMIC CONDITIONS.** The success of the Firm's investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism, acts of war or pandemics. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

**ECONOMIC CONDITIONS; CURRENT STATUS OF MARKETS.** The success of any investment activity is determined to some degree by general economic conditions. The availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems which the Firm may depend upon to achieve its objectives may have a significant negative impact on the Firm's operations and investment profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for the Firm to operate successfully.

**MINORITY INVESTMENTS.** A significant portion of each Fund's investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, the Funds are 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. 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 will be reliant on the existing management and board of directors of such companies, which may include representatives of other unaffiliated financial investors whose interests may conflict with the interests of the Funds.

**NO ASSURANCE OF ADDITIONAL CAPITAL FOR INVESTMENTS.** After a Fund has financed a company, continued development and marketing of products may require that additional financing be provided. In particular, technology companies – a sector in which the Fund expects 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, such 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.

**FUTURE AND PAST PERFORMANCE.** The performance of the prior Shasta Ventures funds and of the principals of the Firm is not necessarily indicative of the Funds' future results. While the Firm 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 principal 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 more permanent, long-term security; however, for reasons not always in a 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 such Fund.

**LIMITATIONS ON ABILITY TO EXIT INVESTMENTS.** The Firm 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 Firm, 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 Firm may negotiate the right to appoint one of the principals of the Firm or a venture partner or other individual 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 applicable Fund or the individual director being named as a defendant in litigation. A 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, the Firm, 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 applicable Fund will also indemnify the applicable Shasta Ventures GP and its principals and venture partners, 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, a 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 the Firm 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. The 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, the Firm may establish reserves for follow-on investments by the Funds in portfolio companies and for Fund operating expenses, 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 Funds may be unable to take advantage of attractive follow-on or other investment opportunities or to protect existing investments from dilutive or other punitive terms associated with “pay-to-play” or similar provisions. If reserves are excessive, Funds 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.** The Firm's investments will generally be private, illiquid holdings. As such, there will be no public markets 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 Firm 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 a Fund will be 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, investors will bear the economic risks of their investment for the term of the applicable Fund. 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.

**LIMITED PORTFOLIO DIVERSIFICATION.** As is typical of venture capital firms, the portfolio holdings of the Funds will not be broadly diversified. In addition, if the Firm is unable to raise sufficient capital commitments to the Funds, the diversification of the portfolio holdings of the Funds will be further limited. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to investors by the Funds.

**DIGITAL ASSETS.** The Funds may invest in cryptocurrencies, decentralized application tokens and protocol tokens, blockchain-based assets and other cryptofinance and digital assets, or instruments for the purchase of such (“Digital Assets”), which represent a speculative investment and involve a high degree of risk. Alternatively, the Funds may invest in portfolio companies or pooled investment vehicles managed by third parties that invest primarily in Digital Assets, that hold Digital Assets and/or engage in transactions related to Digital Assets. Several factors may affect the price of Digital Assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of Digital Assets or the use of Digital Assets as a form of payment. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of Digital Asset payments by mainstream retail merchants and commercial businesses will grow. It is possible the blockchain network and protocols associated with cryptographic authentication have undiscovered flaws which could result in the loss of some or all assets held by the Funds. There may also be network scale attacks against these protocols which result in the loss of some or all of assets held by the Funds. The Firm makes no guarantees about the reliability of the cryptography used to create, issue, or transmit assets held by the Funds. It may be illegal, now or in the future, to own, hold, sell or use Digital Assets in one or more countries, including the United States. Although currently some uses of Digital Assets, and the operation of the underlying blockchain networks, may not be regulated or may be lightly regulated in most countries, including the United States, one or more countries may take further regulatory action in the future to severely restrict the right to acquire, own, hold, sell or use Digital Assets or to exchange Digital Assets for fiat currency. Such an action may restrict the Funds' ability to hold or trade Digital Assets and may adversely affect an investment in the Funds.

**FOREIGN INVESTMENTS.** The Firm may invest in companies that are based outside of the United States or the operations of which are primarily outside of the United States. 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 Funds could become subject to an unanticipated local tax liability. In addition, the Funds may incur costs in connection with conversions between various currencies.

**FOREIGN EXCHANGE RISKS.** Contributions to the Funds and distributions from the Funds will be denominated in U.S. dollars. Investments may be denominated in U.S. dollars, Euros, Pounds Sterling or, if deemed advisable by the Firm, in other currencies. As a result, the profits or losses of a Fund on any investment, as measured in U.S. dollars, will be affected by fluctuations in currency exchange rates and exchange control regulations as well as by the success of the investment itself. In addition, the Funds may incur costs in connection with conversions between various currencies. The Firm does not presently intend to seek to reduce currency risks through “hedging” or other methods.

**Item 9. Disciplinary Information**

There are no reportable legal or disciplinary events relating to the Firm or its personnel.

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

As noted above, each of the Shasta Venture GPs serves as the general partner to a certain Fund.

Jack Selby, one of the Principals of the Relying Adviser, is an employee of a family office that is not affiliated with the Firm. While his time commitment to the family office is very limited, his role at the family office is sourcing investment opportunities. In general, there is no overlap in the investment mandates of the family office and the Funds advised by the Relying Adviser, and it is not expected that a potential investment sourced by Jack Selby would be appropriate for both the Funds and the family office. The Firm has nevertheless adopted policies and procedures to address such situations should they arise. All Firm personnel are required to acknowledge and agree to abide by the terms of the Firm’s Compliance Manual and Code of Ethics, which includes various policies and procedures designed to identify and resolve potential conflicts of interest. Please also see Item 11 below.

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

The Firm has adopted a Code of Ethics, which is designed to help ensure that it conducts its business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, the Firm's Code of Ethics sets forth standards of conduct for its employees to ensure that they conduct their business on the Firm's behalf in a manner that enables the Firm to fulfill its fiduciary duty to its clients.

Among other things, the Firm's Code of Ethics: (i) governs personal trading by the Firm's employees, (ii) contains the Firm's policies with respect to gifts and entertainment, (iii) contains the Firm's policies regarding certain outside activities of its employees, (iv) sets forth the Firm's policies and procedures relating to insider trading, and (v) sets forth the manner in which employees may report violations of law or the Firm's policies and procedures. The Firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

*Personal Trading Policy*

Employees must obtain pre-clearance from the Firm's Chief Compliance Officer (the "CCO") prior to engaging in any transactions in (i) private placements or limited offerings, and (ii) initial public offerings. Additionally, employees are required to provide the CCO with periodic reporting relating to their trading activity and personal accounts. The Firm's policies relating to personal trading also generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

*Participation or Interest in Client Transactions*

The Firm makes available to qualified prospective investors the opportunity to invest in the Funds. The Firm's Principals have significant personal investments in the Funds. This creates a potential conflict in that it could cause the Principals to make different investment decisions on behalf of the Funds than if they did not have such significant personal investments in the Funds. In addition, as noted in Item 6, the Carry Recipients, all of whom are affiliates of the Firm, are entitled to receive carried interest from the Funds. This creates a potential conflict of interest in that it creates an incentive for the Firm to make more speculative investments than it might otherwise make.

The Firm will not engage in a principal transaction unless it has determined that the transaction is in the relevant clients' best interests and has obtained client consent in accordance with the Firm's written procedures and applicable law.

**Item 12. Brokerage Practices***Selection of Brokers*

The Firm's advisory business will generally involve privately-negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. With respect to such private transactions, the Firm believes it will fulfill its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

With respect to those limited situations in which the Firm's clients purchase, sell or distribute publicly-traded securities through a broker-dealer, the Firm will seek "best execution" in selecting a broker-dealer to execute such transactions, taking into account a number of factors, which may include, among others: price, the ability of a broker to affect the transactions, a broker's reliability and financial responsibility and the range and quality of services provided and products offered (e.g., research services, news and quotation services, publications and corporate access), quality and timeliness of market information provided.

#### *Brokerage for Client Referrals*

The Firm does not anticipate directing client brokerage business to brokers for the purposes of such brokers referring prospective investors to the Firm.

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

#### *Review of Accounts*

The Principals and the CCO regularly review Fund portfolios to confirm that the securities held by them remain consistent with their investment strategies, objectives and guidelines.

#### *Reporting*

In addition to the reporting below, investors may be provided with certain information about the Firm and the accounts that it manages in response to specific questions and requests. Depending on the nature of this information, it may not be distributed to other investors or prospective investors. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by the Firm is sufficient for its needs. The Firm will furnish investors in the Funds with periodic written unaudited performance reports as set forth in their Governing Documents. In addition, on an annual basis, the Firm will provide investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, and subject to applicable law, the Firm may provide certain investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or the Firm. It is expected that the Firm will be required to disclose to investors in the Funds the existence of, and certain details regarding, such agreements. But it is not expected that all investors will receive the same access to information.

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

Other than the products and services that the Firm receives from broker-dealers (described above in *Item 12*), the Firm does not expect that it will receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

In the past, the Firm has not engaged traditional placement agents or compensated any third-party marketers for introductions to potential investors or clients, although it may do so in the future. Recently, the Filing Adviser has engaged an investment bank to facilitate a "GP-led secondary transaction," pursuant

to which the bank will receive compensation from the Firm to introduce investors in a continuation vehicle managed by the Filing Adviser.

**Item 15. Custody**

For purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), the Firm will be deemed to have custody over the Funds’ assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds’ audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) the Firm delivers such annual audited financial statements to investors within 120 days after the end of each Fund’s fiscal year and promptly upon liquidation.

**Item 16. Investment Discretion**

The Firm has discretionary authority to manage securities and other investments on behalf of client accounts. The investors in the Funds generally will not be able to place any limits on the Firm’s authority beyond the limitations set forth in their respective Governing Documents. Under certain circumstances, the Firm may contract with a client to adhere to limited risk and/or operating guidelines imposed by the client. The Firm would negotiate such arrangements on a case-by-case basis.

**Item 17. Voting Client Securities**

The Firm generally has voting discretion over client securities. Clients will generally not be able to direct their votes in a particular situation. The Firm has adopted proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, the Firm will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, the Firm may determine to abstain from voting a proxy if it believes that such action is in the best interests of a particular client. The Firm may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer’s views and recommendations on such proposal; (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders’ concerns (*e.g.*, instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (iii) whether the Firm believes that the proposal will fairly compensate management for its and/or the issuer’s performance. If the Firm deems that the issue being voted upon is not material for the Firm and its clients or it determines that the cost of voting a proxy would exceed the expected benefit to the Firm’s clients, the Firm will not be obligated to vote on such matter.

Note that the Funds will generally invest in private companies which typically do not issue proxies. Under certain limited circumstances, however, the Firm may be required to vote proxies solicited by its Funds’ portfolio companies. In these situations, the Firm will vote proxies in the best interest of the Funds following the procedures noted above.

Upon the request by a client, the Firm will disclose to such client how it voted proxies for securities owned by such client. The Firm will also provide a copy of its proxy voting policies and procedures to clients upon request.

**Item 18. Financial Information**

The Firm is not required to include its balance sheet for its most recent fiscal year with this Brochure.

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

The Firm is not a state-registered adviser.