

# Longview Innovation Corp.

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**This Brochure provides information about the qualifications and business practices of Longview Innovation Corp. (the “Adviser” or “Longview”). If you have any questions about the contents of this Brochure, please contact the Adviser at 302-516-1610. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The Adviser may refer to itself as a “registered investment adviser” which does not imply a certain level of skill or training. Additional information about the Adviser is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

The following are material changes to this Brochure since the last filing on March 27, 2023:

- Longview Innovation Corp. moved its offices to 3411 Silverside Road, Baynard Building, Suite 252, Wilmington, DE 19810.

A summary of any material changes to this and subsequent Brochures will be made available to you within 120 days of the close of our business' fiscal year. We may also provide you with additional updates or other disclosure information at other times during the year in the event of any material changes to our business.

This Brochure may be requested by contacting Maxwell Baker, Chief Compliance Officer, at (610) 467-5450 or [maxwell@vigilantllc.com](mailto:maxwell@vigilantllc.com). Additional information about Longview, including a copy of this Brochure, is also available via the SEC's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 – Advisory Business**

### The Adviser

Longview Innovation Corp., a Delaware corporation (the “Adviser” or “Longview”), is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). The Adviser was formed in 2013 as IP Group, Inc. (“IP Group”). In March 2023, the Adviser effectuated a name change in which IP Group was rebranded to Longview. The Adviser is headquartered in Wilmington, Delaware. The Adviser is owned by Hard Science Investment Management, LLC.

Longview’s mission is to bring novel science and technology to commercial use through its venture capital investments. In this regard, Longview primarily invests in early-stage companies emerging from university research and national laboratories. Such investments are generally made through pooled investment vehicles and special purpose vehicles, including co-investment vehicles (each, a “Fund,” and, collectively, the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (“Investment Company Act”), though the Adviser makes investments through investment management agreements with private fund clients as well. The Adviser also reserves the right to make investments through other means. In general, investors in Funds are not entitled to make changes to the investment strategy once a vehicle has launched. However, investor input is regularly considered pre-launch and investor mandates can be specified in connection with individually negotiated side letters and similar mandates/restrictions. Although the Adviser does not currently advise separately managed accounts, if it does in the future, it is expected that clients will have the opportunity to discuss investment strategies with the Adviser in crafting the overall investment strategy.

### Advisory Services

The Adviser tailors its advisory services to the specific investment objectives and restrictions of each client pursuant to the investment guidelines and restrictions set forth in each client’s applicable offering and/or governing documents (collectively, the “Governing Documents”), investment management agreement and/or investment policy. Information about each client’s particular investment purpose are described in such client’s Governing Documents, investment management agreement and/or investment policy. Adviser focuses their investments on novel science and technology and aims to invest at the earliest point feasible. Adviser has relationships with various universities and institutions to allow them to collaborate and assist in the management and structure of the portfolio companies at the point of inception and work with and directly participate throughout the commercialization of intellectual property and build-out process of the related portfolio company.

Investments in the Funds involve significant risks and should be regarded as long-term in nature, forming only one portion of an investor's diversified investment portfolio.

Due to the unique timing of our funding and participation, Longview takes a comprehensive approach to supporting our investments. Ancillary services offered to our companies include, but are not limited to, business administrative support, talent acquisition, and capital market resources.

As of December 31, 2022, the Adviser has \$205,678,646 in total regulatory assets under management, all of which is discretionary.

## **Item 5 – Fees and Compensation**

### Fees and Compensation

Only one Fund, namely IPG Cayman LP (the “Flagship Fund”), is charged a “management fee.” This management fee is calculated differently than a standard management fee charged to a private investment fund in that it operates similar to an annual budget (the “Annual Budget”). In particular, in calculating the Annual Budget for a fiscal year, the Flagship Fund's limited partners assist in determining the Adviser's annual operating budget for such fiscal year, which is based on, among other things: (a) the projected operating expenses of the Adviser; (b) the projected administrative, audit and regulatory fees and expenses of the Flagship Fund; and (c) a forecast of the positions of: (i) the Flagship Fund; (ii) the general partner of the Flagship Fund (the “General Partner”); and (iii) the Adviser. The Annual Budget for each fiscal year is subject to the approval of: (A) the affirmative vote of a majority of the members of the Adviser's board of directors who are present at such meeting of the board (a majority of the members of the Adviser's board of directors are designated by certain limited partners of the Flagship Fund); and (B) the General Partner. Payment of the Annual Budget is deducted from the capital accounts of the limited partners of the Flagship Fund.

### Expenses

#### *Annual Budget*

In general, the Flagship Fund is responsible for paying for and/or reimbursing any and all expenses, costs and liabilities incurred in the conduct of the business of the Flagship Fund and its subsidiaries, as well as any and all expenses, costs and liabilities incurred in the conduct of the business of the General Partner, including any and all amounts payable by the General Partner on behalf of the Flagship Fund: (a) to the Adviser pursuant to the terms of the Flagship Fund's

management agreement; and (b) in connection with or otherwise relating to operating the Flagship Fund and its subsidiaries, including, but not limited to, expenses, costs and liabilities relating to: insurance, due diligence, investments, transactions, compliance, legal, accounting, auditing, custodians, brokerage, banking, borrowing, management, operations, travel and all other expenses, costs and liabilities in connection with or otherwise relating to operating the Flagship Fund and its subsidiaries.

The above is an example of the types of expenses, costs and liabilities incurred in the conduct of the business of the Flagship Fund and the other Funds.

Further, in general, the expenses, costs and liabilities associated with the: (a) conduct of the business, property and affairs of each other Fund, including those of the Adviser in its capacities as the general partner or the manager and the investment adviser thereto, are the responsibility of the investors of such other Fund; and (b) management of each investment management agreement are the responsibility of the private fund client party thereto.

Further details regarding the expenses paid or reimbursable with respect to: (i) each Fund are contained in such Fund's Governing Documents; and (ii) each private fund client are contained in such private fund client's investment management agreement.

#### *Co-Investment Vehicle Expenses*

In certain cases, a co-investment vehicle, or other similar vehicle, established to facilitate an investment alongside, or in place of, a Fund may be formed in connection with a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle.

#### *Expense Allocation*

Expenses that are attributable to more than one Fund are generally allocated among such Funds in such manner as the Adviser deems equitable, including equitable over time. The Adviser's General Counsel is responsible for overseeing the fee and expense allocation process. The Adviser makes capital calls to Fund investors for Fund expenses, including, in the case of the Flagship Fund, their respective shares of the Annual Budget.

#### *Portfolio Company Fees*

From time to time, the Adviser may be reimbursed for work performed by the Adviser in respect of its underlying portfolio companies, and may charge transaction fees to cover costs incurred.

These services are offered and performed on a deal-by-deal basis and include but are not limited to in-house legal services, business administration, and other start up services.

For further discussion of brokerage fees, commissions and other related transaction costs and expenses, please refer to Item 12 – *Brokerage Practices* and Fund Governing Documents

**Notwithstanding anything contained in this Brochure, all fees and expenses are controlled by the applicable Governing Documents. If any conflict between the Governing Documents and this Brochure exists, the Governing Documents shall control. Investors are strongly advised to refer to the Governing Documents for a more in-depth description of all fees and expenses.**

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

### **Performance Fees**

Certain Funds are subject to performance-based compensation arrangements. The performance-based allocation arrangements comply with Rule 205-3 under the Advisers Act. Longview is entitled to receive carried interest allocations from certain Funds based on realized profits from investments. Such performance-related compensation is subject to hurdles. The Governing Documents of the Funds contain the method by which the performance-related compensation is calculated. Performance-based allocation arrangements received by Longview may create an incentive for Longview to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Please refer to the Governing Documents for more complete information on the “performance-based fee” arrangements of each Fund.

For any future Funds, carried interest will be as set forth in the terms of the respective Governing Documents.

## **Item 7 – Types of Clients**

As further detailed in Item 4, the Adviser primarily provides investment advisory services to the Funds and to private fund clients pursuant to investment management agreements.

Minimum investment commitments are separately established for each Fund, as set forth in each Fund’s Governing Documents.

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

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

As discussed in Item 4 – *Advisory Business*, the Adviser’s portfolio acquisitions target private companies with respect to venture capital or private equity investments. Adviser has relationships with universities and U.S. government research institutions to discover and develop emerging science and technology. The Adviser’s business is focused on investing in groups with novel science or intellectual property that the Adviser believes to be capable of making a lasting impact. Adviser strives to invest at the early stages of development, which includes working with the respective research partner in spinning out the portfolio company based on the novel science. The Adviser aims to provide an active role in the management process and to assist in the key areas of development. By realizing an interest and focusing on companies that are expected to have a meaningful impact in the long-term, the Adviser builds portfolios with an objective of realizing liquidity through permanent capital, diversity and optionality.

The Adviser employs an investment strategy developed by its founding principals during the course of their professional careers. For every attractive opportunity, the Adviser conducts early discovery and diligence to determine if the underlying science and intellectual property meet the Adviser’s investment criteria. For those companies that pass the initial screening process, full due diligence is then conducted on high interest companies. The investment process generally consists of opportunity sourcing and screening, due diligence, preparation, closing and post-closing development and management. Due to Adviser’s active role in the management of the portfolio companies, post-closing development and management may consist of working with the portfolio company in building a management team (which may contain employees of the Adviser), assistance developing products, or advising go-to market strategies, among others.

### Material Investment Risks

The Adviser’s investment activities involve a high degree of risk with no certainty of any return of contributed Limited Partner capital. There can be no assurance that a Fund will meet its investment objective or be able to successfully carry out its investment program. In addition, there will be occasions when the Adviser, General Partner and its affiliates may encounter potential conflicts of interest in connection with the Funds.

The following summary of material risks and conflicts of interest attendant to investments in the Funds is not a complete list of all investment and operating risks associated with such investments. A more detailed discussion of risks and conflicts of interest is set forth in the Governing Documents of each applicable Fund or other investment.

### ***Identification of Investments***

The Adviser focuses its investment research primarily on venture capital, growth equity and related opportunities for investment, across stages, from proof of concept investments and sponsored



research in university and Department of Energy federal labs through late-stage growth capital. The Adviser evaluates businesses in varying stages of development, with a preference for novel and valuable raw intellectual property in addition to similar validated technologies and platforms and with an identifiable path to impact. The Adviser may identify opportunities that span various stages of financing, ranging from raw intellectual property incubated in a university research lab to existing early-stage businesses seeking growth capital. The Adviser typically invests at the proof-of concept-level and works with the portfolio company on the research, business development, and recruitment process. When investing at such early stages, Adviser will conduct its initial due diligence focusing on the viability of the technology and intellectual property. This typically consists of sponsoring further research and analyzing the financial capabilities of the technology. However, in the event Adviser has invested in a portfolio company in further development, the Adviser may review company-prepared and disseminated information, conduct physical inspections of corporate offices, plants, and other assets, engage in discussions with corporate management, review research materials prepared by others, review scientific and medical literature, and host discussions with consultants, physicians, scientists, or others concerning underlying technology.

The Adviser uses input from various methods of analysis and may identify investment opportunities in domestic and foreign equity securities, although its focus is North American targets.

### ***Investment Risks***

Investing in securities involves risk of loss, which investors must be prepared to bear; investments of the type targeted by the Adviser involve a particularly high level of risk, and clients should be able to bear the loss of all or part of their investment. The risk factors listed below represent a limited summary of the various risks presented by the investment opportunities the Adviser identifies. Additional risks associated with an investment in a Fund are disclosed in the offering documents of such Fund.

*Risk Inherent in Investments.* The investments the Adviser identifies will involve a high degree of risk. In general, the financial and operating risks confronting these companies are often significant. While targeted returns should reflect the perceived level of risk in any investment situation, there is no assurance that investors will be adequately compensated for risks taken.

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 often 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 also involve substantial risks. In certain cases, companies have previously obtained capital in the form of debt or equity to

expand rapidly, reorganize operations, acquire a business, or develop new products and markets. By definition, these activities 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.

*Additional Capital Requirements of Portfolio Companies.* Certain of the companies the Adviser identifies as investment opportunities, especially those in a development or “incubation” phase, might require additional financing to satisfy their working capital requirements or acquisition strategies. Following its initial investment in portfolio companies, a Fund is often called upon to provide additional funds to portfolio companies or will have the opportunity to increase its investment in a portfolio company, including the opportunity to participate in the initial public offerings of such portfolio companies, and in the subsequent purchase of publicly traded shares. Although a Fund may make follow-on investments, there is no assurance that a Fund and its co-investors will provide all necessary follow-on capital. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including a Fund. In addition, a Fund may make additional equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Fund’s proportionate ownership when a subsequent financing is planned, or to protect the Fund’s investment when such portfolio company’s performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of a Fund or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

*Investment in Companies Dependent Upon New Scientific Developments and Technologies.* Investment opportunities will often involve companies developing new technologies or methods. Companies reliant upon the development of new technologies pose certain risks, including:

- Supply-chain disruption;
- rapidly changing science and technologies;
- products or technologies that may quickly become obsolete;
- exposure 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

- changing investor sentiments and preferences with regard to the specific industry sector relevant to the development or technology.

*Illiquid Investments.* The investments in companies the Adviser identifies will primarily be illiquid. Due to the illiquid nature of such investments, the Adviser is often unable to predict with confidence what the exit strategy will ultimately be, or that one will become available. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

*Risk of Loss - General.* The strategies the Adviser employs in the Funds and the financial instruments used to implement those strategies are highly speculative. The strategies may not be successful in meeting their performance objectives, and potential clients and Fund investors should not invest with the Adviser unless they can bear the risk of a complete loss of their capital. There is no assurance that the strategies will be able to generate returns or that the returns will be commensurate with their inherent risks. The past investment performance of any Funds cannot be taken to guarantee future results of those or any other Funds.

*Concentration of Investments.* While diversification among industries and geographies is a consideration, from time to time a Fund's portfolio may be more concentrated in a particular industry. There is no limitation on the level of concentration of investments in any geographic region, although most investments are expected to be in North American companies. All such concentration increases the risk of loss to a Fund in the event of a decline in the market value of any sector in which a Fund has invested a larger percentage of its assets, or in the event of a market disruption in a geographic region in which a Fund has invested a large percentage of its assets (such as North America).

*Potential for Unexpected Risks.* In researching potential investments, the Adviser may rely on materials created or provided by a portfolio company or its affiliates. Such materials are often provided on an "as-is" basis, and the Adviser has a limited ability to verify the information they contain. There is no assurance that the information provided to the Adviser will fairly represent the business, operations and financial outlook of a potential investment. As a result, it is often difficult to identify, assess and quantify with confidence the risks involved in an investment in the company. These unforeseen and unidentified risks could have an adverse effect on the investment.

*Market Conditions.* During certain periods, the financial sector has experienced an unusually high degree of volatility in the financial markets. Market turbulence may have an adverse effect on the investments the Adviser identifies. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. Continued or renewed volatility in the financial sector or the economy generally may have a material adverse effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid

or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted.

*Coronavirus Outbreak Risks.* The global outbreak of the 2019 novel coronavirus (“COVID-19”), together with resulting restrictions on travel and quarantines imposed, meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is likely to continue to contribute to market volatility, and is also likely to lead to an economic slowdown given the disruption to supply chains across sectors and industries worldwide, which may reduce venture capital activity more generally and materially and adversely affect the Funds and their investments. The COVID-19 outbreak may adversely affect a Fund’s ability to dispose of investments as buyers retrench from pursuing investment opportunities due to the prolonged economic uncertainty. The applicability, or lack thereof, of force majeure provisions could also come into question in connection with contracts that a Fund and its portfolio companies have entered into, which could ultimately work to their detriment.

To the extent that an epidemic, including COVID-19, is present in jurisdictions in which the Adviser has offices or other operations or investments, it could affect the Adviser’s ability to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out the Funds’ investment strategies and objectives. In addition, in response to the COVID-19 outbreak, several industry conference sponsors and venues have suspended or cancelled events due to concerns over the spread of COVID-19. Events have also been impacted by the implementation of U.S. federal and state and non-U.S. governmental actions, as well as voluntary and involuntary travel restrictions. Private and governmental efforts to prevent the further spread of COVID-19 through travel restrictions and cancellation or suspension of industry events may adversely affect the Adviser’s ability to source potential investment opportunities for the Funds and to gain meaningful insights in order to properly evaluate the risk/reward potential of investing in a particular industry sector or market. The Funds and their portfolio companies may also suffer losses and other adverse impacts if travel and other COVID-19-related disruptions continue for an extended period of time. In addition, the Adviser’s personnel and personnel of critical service providers to the Adviser or the Funds may be directly impacted by the spread of COVID-19, both through direct exposure (the likelihood of which can increase due to the frequency of travel) and exposure to family members, which could impair the Adviser’s ability to satisfy its obligations to the Funds, its investors, and pursuant to applicable law. The spread of COVID-19 among the Adviser’s personnel has the potential to significantly affect the Adviser’s ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), resulting in the possibility of temporary or permanent suspension of the Funds’ investment activities or operation.

*Equity Securities.* The investments the Adviser identifies will usually be in equity securities. Investment in equity securities offers the potential for substantial capital appreciation. However,

it also involves certain risks, including issuer, industry, market, dilution and general economic related risks. While offering greater potential for long-term growth, equity securities are more volatile and risky than some other forms of investment. Additionally, in some circumstances, a Fund may invest in common stock, which will be junior in a liquidation relative to a portfolio company's preferred stock.

*Options and Warrants.* In addition to equity securities, in certain circumstances an investment opportunity may also involve options or warrants. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium.

Warrants can be more speculative than certain other types of investments in that they do not entitle a holder to dividends or voting rights, nor do they represent any rights in the assets of the issuing company. Investment in warrants involves certain additional risks, including the possible lack of a liquid market for the resale of the warrants, potential price fluctuations as a result of speculation or other factors, and failure of the price of the underlying security to reach a level at which the warrant can be prudently exercised (in which case the warrant may expire without being exercised, resulting in the loss of the entire investment).

*Convertibles.* An investment may also involve simple agreements for future equity ("SAFEs"), preferred stock, or other securities that may be converted into common or other stock (convertibles). Convertibles typically accrue current income as dividends, in the case of preferred stock. Since it is convertible into stock, a convertible generally has the same types of market and issuer risk as the underlying stock. Convertible securities held by a Fund may automatically be converted to common stock under certain circumstances that will be outside the control of the Adviser, including if a percentage of certain shareholders consents to such conversion or the issuer holds its initial public offering. Upon conversion of convertible securities to common stock, a Fund will lose any rights associated with the convertible securities.

*Conflicts from Indirect Investments.* Ownership interests in portfolio companies may be structured through several SPVs. Certain of the SPVs may have other investors, including investors related to one or more of the members of the Adviser or its affiliates. Investments held through SPVs may involve risks not present in direct investments, particularly when an investor participates in the SPV in conjunction with others. For example, a co-participant in an SPV might become bankrupt, or otherwise fail to fund its obligations to the SPV, and it may be difficult or undesirable for the investors to make up the shortfall from other sources in those cases.

*Reliance on Portfolio Company Management.* The day-to-day operations of a portfolio company are the responsibility of such company's management team. However, during the earlier stages of

development, a portfolio company may be without a management team. In such scenario, Adviser may appoint employees to serve on the portfolio company's management team on an interim basis. Although the Adviser typically maintains an active role, monitors the performance of portfolio companies and generally will seek to invest in companies operated by capable management or assist the companies in recruiting capable management if the company is without a clear management team, there can be no assurance that an existing management team, or any successor team, will be able to successfully operate a portfolio company in accordance with the Adviser's strategy. There is no guarantee that, even with the Adviser's active management and holistic support, an investment will result in overall success.

*Board Participation.* Employees of the Adviser will regularly seek to serve as directors, officers, or other similar positions ("Senior Management Positions") of some of the Funds' portfolio companies and, as such, will have duties to persons other than the investing Fund. Although holding board positions may be important to a Fund's investment strategy and may enhance the ability of a Fund to manage investments, Senior Management Positions may also have the effect of impairing a Fund's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject the investing Fund, its general partner and the Adviser's personnel to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims, and other director-related claims. In general, the Funds will indemnify the general partner, the Adviser and relevant employees from such claims. In addition, it is possible that employees of the Adviser may serve in Senior Management Positions of publicly traded companies in a Fund's investment portfolio. In the event that an employee serving in a Senior Management Position is exposed to material, nonpublic information with respect to a particular company, the Funds may be prohibited for periods of time from purchasing or selling the securities of such company. Such restrictions may have an adverse effect on the value of the investments of the relevant Fund.

*Non-U.S. Securities.* Investing in securities of non-U.S. companies involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the U.S., higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

*Investments in Initial Public Offerings.* Funds may invest in initial public offerings (or shortly thereafter) that may involve higher risks than investments issued in follow-on public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely

understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities.

*Special Purpose Acquisition Companies.* A Fund may invest in units of, shares of, warrants to purchase stock of, and other interests in special purpose acquisition companies or similar special purpose entities that pool funds to seek potential acquisition opportunities (collectively, “SPACs”) that have announced an intent to acquire a Fund’s portfolio company. Because SPACs and similar entities have no operating history or ongoing business other than seeking to complete a business combination with one or more companies, the value of each of their securities is particularly dependent on the ability of the entity’s management to identify and complete a successful business combination. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices. An investment in a SPAC is subject to a variety of risks, including, among others, that (i) a business combination, if effected, may prove unsuccessful and an investment in the SPAC may lose value; (ii) a Fund may be delayed in receiving any redemption or liquidation proceeds from a SPAC to which it is entitled; (iii) an investment in a SPAC may be diluted in connection with the business combination or by additional financings; (iv) no or only a thinly traded market for shares of or interests in a SPAC may develop, leaving a Fund unable to sell its interest in a SPAC or to sell its interest only at a price below what a Fund believes is the SPAC interest’s intrinsic value; and (v) the values of investments in SPACs may be highly volatile and may depreciate significantly over time.

In addition, a Fund may invest in the at-risk capital of a SPAC, which may be in the form of equity interests in such SPAC’s sponsor, private placement warrants of the SPAC, units of the SPAC or shares of the SPAC. An investment in the at-risk capital of a SPAC is subject to complete loss if the SPAC does not complete a business combination. Investments in a SPAC sponsor consist of securities issued on a private placement basis, which are subject to legal and contractual lock-ups and transfer restrictions and are illiquid. In connection with a business combination, a SPAC sponsor may agree to forfeitures, earn outs, additional lock ups, or other agreements that may have the effect of reducing the value of any such investments.

In connection with any such investments, a Fund may have the ability to appoint one or more persons to the board of any such SPAC. Any such board member may become aware of material non-public information that could impact a Fund’s ability to trade in the securities of certain issuers.

*Foreign Currency and Exchange Rate Risks.* A Fund’s assets and income may be denominated in various currencies. Contributions and distributions, however, are denominated in U.S. dollars. As a result, the return of a Fund on any investment may be adversely affected by fluctuations in currency exchange rates, any future imposed devaluations of local currencies, inflationary pressures, and the success of the investment itself. The Funds may, but does not expect to, engage

in hedging against currency risk. In addition, a Fund may incur costs in connection with conversions between various currencies.

*Foreign Tax Risk.* While the Funds typically attempt to structure their investments to minimize taxes in non-U.S. jurisdictions, there is no guarantee that such efforts will be successful, and, as such, the Funds may be subject to non-U.S. withholding or other taxes, duties, or levies. In addition, there may be changes in tax laws in the U.S. or in non-U.S. jurisdictions or interpretations of such tax laws adverse to the Funds. There can be no assurance that the structure of the Funds or of any investment will be tax-efficient.

*Valuation of Assets.* There is no actively traded market for many of the securities owned by the Funds. When estimating fair value for such securities, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information is often not available regarding certain of a Fund's assets or, if available, may not be relied upon. With respect to the Funds, the exercise of discretion in valuation by the Adviser will give rise to conflicts of interest, as the performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect performance calculations.

*Cybersecurity Risk.* The Adviser, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite the efforts of the Adviser and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, the Funds' service providers, counterparties or data within these systems. Third parties may attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of the Funds' investors. A successful penetration or circumvention of the security of the Adviser's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the Adviser or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.



Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

*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 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 a Fund encounters competition for investments, returns to investors in the Fund may vary.

*Availability of attractive investment candidates.* The ultimate success of an investment will hinge on the Adviser'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.

*No assurance of additional capital for investments.* After a Fund has purchased stock in 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 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, a Fund, 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 performance of the prior funds is not necessarily indicative of a Fund's future results. 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 principal is possible on any given investment.

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

*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 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 Fund's investments will generally be private, illiquid holdings. As such, there will be no public markets for the securities held by a Fund and no readily available liquidity mechanism at any particular time for any of the investments held by a Fund. 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 a Fund's investments and subsequently distribute the proceeds to its investors or to distribute securities to investors in lieu of cash.

*Legal and regulatory risks.* The Funds are not and do not expect to be registered as investment companies under the Investment Company Act of 1940, as amended, pursuant to exemptions set forth in Sections 3(c)(1) and 3(c)(7) of the Investment Company Act. There is no assurance that such exemptions will continue to be available to a Fund or for new Funds. Due to the burdens of compliance with the Investment Company Act, the performance of a Fund's investment portfolio could be materially adversely affected, and risks involved in financing portfolio companies could substantially increase, if a Fund becomes subject to registration under the Investment Company Act. Neither a Fund nor its counsel can assure investors that, under certain conditions, changed circumstances, or changes in the law, a Fund may not become subject to the Investment Company Act or other burdensome regulation. In addition, the Funds do not plan to register their offerings of the interests under the United States Securities Act of 1933, as amended. As a result, investors will not be afforded the protections of such Acts with respect to their investment in a Fund.

*Tax risks.* No assurance can be given that current tax laws, rulings and regulations will not be changed during the life of a Fund. Prospective investors should consult their tax advisors for further information about the tax consequences of purchasing an interest in a Fund.

*Conflicts of interest.* Instances may arise where the interest of the Adviser (or its affiliates or personnel) may potentially or actually conflict with the interests of a Fund and its investors. For example, the existence of Carry (as described above) may create an incentive for Adviser to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangements. Further, conflicts of interest may arise as a result of existing Adviser entities and a Fund, as well as other investments in both public and private companies. In certain cases, the Adviser (or its affiliates or personnel) may have discretion to allocate investment opportunities to other pooled investment vehicles managed by the Adviser or its affiliates. The allocation of these investment opportunities and their ultimate disposition may create incentives for the Adviser that are not aligned with investors. The Adviser maintains allocation policies to mitigate such conflicts.

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

*Lack of Limited Partner control.* Subject to the implementation of investment limitations described in Governing Documents, the Adviser has discretion in managing Fund portfolios. While certain investors may have interactions with the Adviser and serve on its board of directors, and serve as a liaison to other investors, investors will not make direct decisions with respect to the management, disposition or other realization of any investment made by a Fund, or other decisions regarding a Fund's business and affairs.

*Concentration Risk – Service Providers.* Funds may at certain times have a material portion of their assets exposed to the credit risk of a particular custodian, broker, bank, clearinghouse, exchange, or counterparty. Such a concentration could magnify the risks to that Fund of a failure of one or more of such custodians, brokers, banks, clearinghouses, exchanges or counterparties. The Funds and Adviser are also reliant upon the proper performance of duties and obligations of their respective service providers. The Funds may be adversely impacted in a material manner if one or more of the service providers to the strategy or Adviser fail to adequately perform their functions. In addition, key activities undertaken in connection with Adviser and the Funds' operations may be concentrated in one or more service providers, which may expose such Funds to risks if one or more of such service providers does not provide—or becomes incapable of providing—services in the normal course.

**The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring a limited partnership interest. Potential investors are urged to read this entire document and the applicable limited partnership agreement and or Governing Documents before making a determination whether to invest in a Fund.**

### **Item 9 – Disciplinary Information**

Registered investment advisers must disclose facts about any legal or disciplinary events that would be material to a client's evaluation of the adviser's business or the integrity of the adviser's management. The Adviser has no legal or disciplinary events of any kind to report.

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

Neither the Adviser nor its management persons is registered as, and does not have an application pending as, a securities broker-dealer or registered representative of a broker-dealer, futures

commission merchant, commodity pool operator, commodity trading advisor, or associated person of the foregoing entities.

Certain principals and related persons of the Adviser spend a substantial portion of their business time on one or more of the Funds, as required under the terms of each Fund's Governing Documents, or other businesses. In addition, principals, employees, consultants, and affiliate entities of the Adviser also regularly become actively involved in portfolio company operations throughout the investment cycle and serve in Senior Management Positions. In limited cases, a related person may serve in a Senior Management Position for a portfolio company. Please refer to Item 4 – *Advisory Business* for a discussion of this component of the Adviser's services. A related person's involvement with portfolio company operations may introduce a conflict of interest between the fiduciary duty he or she owes as a member of a portfolio company board and the fiduciary duty he or she owes to a Fund. In order to meet its fiduciary duty, the Adviser will take such action as may be necessary to reduce, and where possible, eliminate any such conflict of interest. Such action may include refraining from voting on certain portfolio company matters, or seeking approval from certain representative investors. While the risk of these conflicts cannot be eliminated, the Adviser has implemented policies and procedures to address certain of these conflict situations.

## **Item 11 – Code of Ethics**

### Code of Ethics and Fiduciary Duty

The Adviser has adopted a code of ethics ("Code of Ethics") that sets forth standards of conduct that are expected of the Adviser's employees and addresses conflicts that may arise from personal trading conducted by the Adviser's "access persons," as that term is defined in Rule 204A-1 under the Advisers Act. The Code of Ethics is the primary policy document of the Adviser which defines the expectation and requirement of professional and ethical conduct by all employees.

The Code of Ethics contains policies and procedures relating to: (a) general standards of conduct; (b) personal securities transactions; (c) insider trading; and (d) gifts, entertainment, and political contributions. Employees must affirmatively acknowledge the terms of the Code of Ethics each year. Employees who fail to honor the Code of Ethics will be subject to disciplinary sanctions up to and including termination.

### General Standards of Conduct

The Adviser's general standards of conduct are designed to ensure that its clients, investors, employees and the Adviser are protected from unethical and unprofessional conduct. The Adviser has policies to, among other things:

- ◆ Govern outside business activities of employees;
- ◆ Protect confidential information;

- ◆ Restrict employee political activity;
- ◆ Prohibit dealings with parties sanctioned by the Office of Foreign Assets Control; and
- ◆ Facilitate compliance with federal and state securities statutes.

### Personal Trading

Employees are permitted to have personal securities accounts as long as personal investing practices are consistent with fiduciary standards and regulatory requirements, and do not conflict with their duty to the Adviser and its clients and investors. The Adviser will monitor and control personal trading through:

- ◆ Maintenance of a restricted list of securities in which employees may not trade or must receive pre-approval to trade
- ◆ Receipt and review of personal securities holdings and transactions reports
- ◆ Pre-approval of initial public offerings, limited offerings, and private placements

### Insider Trading

The Adviser prohibits any employee from illegally acting on, misusing or disclosing any material nonpublic information, also known as “inside information”. The Adviser monitors risks associated with inside information by:

- ◆ Providing periodic employee education and training
- ◆ Authorizing and monitoring employee service on boards of public companies
- ◆ Monitoring and restricting personal trading of employees and certain household members
- ◆ Maintaining a restricted list of securities
- ◆ Maintaining a compliance program to monitor employee activity

### Gifts, Entertainment, and Political Contributions

As a fiduciary, the Adviser strives to place client interests first and foremost. The Adviser’s compliance policies and procedures are designed to ensure that the fiduciary standard of care is evident in all interactions with and on behalf of the Funds and investors. The Adviser’s compliance policies implement internal controls which address a number of business practices including gifts, entertainment, and political contributions. These controls include:

- ◆ Requiring employees to report gifts and entertainment over a defined dollar value threshold
- ◆ Requiring pre-approval of gifts and entertainment over a defined dollar value threshold
- ◆ Requiring employees to receive pre-approval for all political contributions
- ◆ Maintaining a compliance program to ensure that the Adviser is informed of employee activity not directly related to the business of the Adviser

### Participation or Interest in Client Transactions

Certain employees of the Adviser are limited partners of the Flagship Fund, and, accordingly, will shares in any profits or losses generated by the Flagship Fund, including any performance fees or carried interest to which the Flagship Fund may be entitled to receive.

In addition, as part of the Adviser's overall incentive structure, the employees of the Adviser, as a result of being members of SLP, will share in any performance fees or carried interest received by SLP, if any, in SLP's capacity as: (a) a special limited partner of certain of the Funds, including the Flagship Fund; and (b) a party to certain of the investment management agreements.

These activities are subject to the Adviser's compliance policies and Code of Ethics.

The Adviser will always endeavor to act in the best interest of its clients; however, clients should be aware that the Adviser's receipt of compensation from clients creates a potential conflict of interest with respect to such transactions. These and other operating relationships have the potential for creating conflicts of interest. Where actual or potential conflicts of interest between the Adviser, related persons and clients are identified, the Adviser will seek to mitigate or resolve such conflicts to the extent possible. See Item 12 – *Brokerage Practices*, for information about how such conflicts of interest are managed.

The Adviser will provide its Code of Ethics to any client or prospective client upon request. To obtain a copy, please contact Brandon Fleischman, General Counsel, at 302-526-1610 .

## **Item 12 – Brokerage Practices**

### Broker Selection

The Adviser seeks to invest in portfolio companies in compliance with the Governing Documents of each Fund, its fiduciary duty to Fund investors, and the Adviser's compliance policies and procedures. Typically, the investments will generally not involve the services of a traditional broker or dealer as is customary in the transaction of registered securities.

### Brokerage Arrangements

In the process of exiting investments, a Fund may hold minority equity stakes in public companies if portfolio holdings are taken public. When deemed prudent by the Adviser, and when any selling restrictions are lifted, public portfolio holdings will be sold in the public securities market. The sale of such registered securities will incur transaction commissions which are borne by the Funds holding such securities.

### Co-Investments

Certain third-party investors may be permitted to co-invest directly in a particular portfolio company or in a holding company which holds the equity in the portfolio company directly. The Adviser will select which investors are permitted to participate in such co-investment opportunities, if any, based on various factors, including the sophistication of the investor, the capability of the investor to evaluate the merits and risks of the opportunity, the ability of the investor to fund and complete the investment on a timely basis, historically expressed interest in co-investments, whether the Adviser believes that allocating investment opportunities to a potential co-investor will help establish, strengthen and/or cultivate relationships that may provide longer-term benefits to current or future Fund, the Adviser, or the applicable portfolio company, and for strategic or other reasons. Co-investors generally pay their own direct expenses. Except to the extent required by the Adviser's allocation policy and/or requirements specified in certain Governing Documents or side letters, the Adviser is not obligated to make co-investment opportunities available to any particular investors.

While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

#### Allocation of Investment Opportunities

The Adviser follows an allocation policy under which the Adviser and affiliate entities are permitted to allocate transactions across active funds on a fair and equitable basis, consistent with Governing Documents of the Funds and the Adviser's fiduciary duty and compliance policies and procedures. Portfolio investments are generally allocated among a participating Fund and other co-investment vehicles on a pro rata basis, with exceptions based on applicable investment objectives, strategies and other guidelines and situations. When the investment period of a Fund has expired, with the exception of certain follow-on investments to existing portfolio company positions and investments committed to prior to the end of the investment period, a Fund will generally not engage in new acquisition transactions.

The Adviser directs the allocation of capital commitments for all Funds pursuant to its allocation policy, under which it considers certain criteria, including, among others: (a) Fund objectives; (b) Fund size and available investment capital; (c) Fund diversification guidelines; (d) size and scope of the investment opportunity; and (e) current and anticipated market conditions. If an investment opportunity is suitable for more than one Fund, the Adviser and its affiliate entities will allocate the investment opportunity between the Fund in a manner that, over time, is fair and equitable to each Fund, considering all relevant facts and circumstances.

#### Conflicts of Interest - Allocation of Investment Opportunities

The Adviser may allocate investment opportunities among multiple Funds that are actively seeking investments. A conflict of interest may arise relative to the allocation of investment opportunities under these conditions. For example, if a successor Fund is considering a portfolio company investment during the investment period of a predecessor Fund, or if an investment is to be made by a successor Fund in a security that constitutes a follow-on investment for the predecessor Fund, a conflict of interest may arise. Follow-on investments are made in portfolio companies to facilitate their growth and represent an incremental capital commitment by the Fund. The Adviser has adopted portfolio investment allocation policies designed to ensure that all clients are treated fairly and equitably.

### Portfolio Valuation

Fund portfolio valuation represents a conflict of interest for investment advisers. The exercise of discretion in valuation by the Adviser may give rise to conflicts of interest, as fees and carried interest in certain Funds are calculated based, in part, on these valuations and such valuations affect performance return calculations. Valuations are inherently subjective as there is no public exchange for a Fund's underlying private company assets or for the trading of investor interests within the Funds themselves. The process of valuing assets for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such assets and may differ from the prices at which such assets may ultimately be sold. The Adviser cannot fully mitigate the conflicts and risks inherent in the valuation process but manages these conflicts and risks through its investment process and compliance program.

In the absence of a perpetual market for such interests, the Adviser determines a value for each underlying portfolio company based on the periodic application of its internal valuation policies and methodologies. As a fiduciary to the Fund and investors, the Adviser follows valuation policies and procedures designed such that portfolio holdings reflect current, fair and accurate asset valuations. Valuation policy attributes generally include, but are not limited to: (a) quarterly reviews of Fund portfolio valuations carried out by the Adviser's investment professionals; (b) annual valuation policy review; and (c) external auditor review of written valuation policies and records prior to issuance of annual Fund financial statements.

### Cross Transactions

The Adviser and its affiliate entities do not generally engage in cross transactions where a portfolio holding is transferred between Funds. If it becomes necessary in the future to engage in cross transactions, approval may be granted provided the transfer is consistent with the Adviser's fiduciary obligations to each Fund sharing in the cross transaction, applicable Fund Governing Documents, and relevant securities statutes, including the Advisers Act.



### Directed Brokerage and Soft Dollars

The Adviser does not currently engage in soft dollar arrangements. Soft dollar arrangements are a means of paying brokerage firms for their services through commission revenue rather than by direct hard dollar payments. If the Adviser begins to engage in soft dollar transactions, it will follow the applicable legal guidelines in doing so.

However, the Adviser may receive general unsolicited research from certain brokers or investment banks specializing in private equity and venture capital investments. The Adviser has no contractual obligation to compensate or do business with these research providers.

### **Item 13 – Review of Accounts**

#### Review of Fund Portfolios

The Adviser's investment professionals actively monitor and review each Fund's investment portfolio on a continuous basis. The investment team includes the founding principals and other investment professionals of the Adviser and its affiliate entities. Investments are reviewed in light of each Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each Fund. During the review process, investment professionals analyze existing portfolio company positions to identify issues early on, take any necessary actions, and monitor portfolio company performance relative to the original investment thesis.

The valuation committee values each portfolio twice a year. In addition, investment professionals meet regularly prior to deploying capital.

From time to time, the Adviser may seek guidance from consultants and advisors with technology and industry experience along with third-party valuation specialists providing guidance to the Adviser.

#### Reports to Investors

The Adviser provides periodic written financial reports and a summary of investments for Fund investors to monitor their investments. The Adviser distributes written reports to investors as required by the Governing Documents of each Fund. Written reports convey to Fund investors, at a minimum: (a) audited financial statements and other information on an annual basis in accordance with generally accepted accounting principles within 90-120 days after a Fund's fiscal year end as required by the Advisers Act; and (b) unaudited summary financial and other

information on a quarterly basis. Fund investors may also be invited to attend an annual meeting during which general information is provided.

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

### **Placement Agents**

At times, the Adviser may enter into arrangements with unaffiliated placement agents to secure Fund interests in pooled investment vehicles. In those situations, a legal agreement between parties will be executed to guide the terms of engagement which will include among other requirements that the placement agent abide by federal securities statutes in discharging activities on behalf of the Adviser. In accordance with the terms of the relevant Fund’s Governing Documents, these fees are oftentimes covered by Fund investors.

Although common, placement arrangements do create a potential conflict of interest because, in theory, the placement agent may be motivated, at least partially, by financial gain and not because the Fund is suitable to the prospective investor’s needs. To address this potential conflict of interest, all referred investors are generally screened to ensure that the particular Fund is suitable to the prospective investor’s investment needs, objectives and risk tolerance before any subscription is accepted.

## **Item 15 – Custody**

Custody occurs when the Adviser or related person directly or indirectly holds client funds or securities, or has the ability to gain possession of them. The Adviser is deemed to have custody of the assets of a Fund within the meaning of the Advisers Act due to its affiliation with the general partner or similar operator of each Fund. The Funds advised by the Adviser are privately offered limited partnerships and are subject to an annual audit by a Public Company Accounting Oversight Board (“PCAOB”) registered and inspected independent accounting firm in accordance with Rule 206(4)-2 under the Advisers Act. The audited financial statements of each Fund are prepared in accordance with generally accepted accounting principles (“GAAP”) and distributed to Fund investors within 120 days of the Fund’s fiscal year end as required by the Advisers Act. Fund investors are urged to review these audited financial statements carefully. Upon the final liquidation of a Fund, the Adviser will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all investors promptly after completion of the audit.

A SPV formed to facilitate a portfolio investment in a Fund for special tax or regulatory reasons may also be subject to an annual audit by a PCAOB registered and inspected independent accounting firm in accordance with the Advisers Act.

## **Item 16 – Investment Discretion**

As discussed in Item 4 – *Advisory Business*, the Adviser generally provides investment advisory services to each Fund on a discretionary basis, subject to the general supervision of the general partner or operator of each Fund, as well as each Fund’s Governing Documents and side letters with certain investors (such as with regard to ESG considerations, etc.). In the case of Funds whose fundraising periods have closed, the Adviser’s investment discretion will generally be limited to certain follow-on investments and the liquidation of existing portfolio company positions.

## **Item 17 – Voting Client Securities**

The Adviser may vote proxies (or similar instruments) for a Fund if specified to do so under the management agreement with a Fund or otherwise. In accordance with Advisers Act requirements, the Adviser maintains proxy policies to address voting requirements, if any, for Fund portfolio investments. Proxy policies seek to ensure that the Adviser votes proxies in the best interest of the Fund, including when there may be material conflicts of interest in voting proxies.

The Adviser believes its interests are aligned with Fund investors, in part, through its receipt of Carry from certain of the Funds and therefore does not generally seek investor approval or direction when voting proxies. If, however, there is or may be a conflict of interest between the Adviser and the Fund in voting proxies, the Adviser may address the conflict using several alternatives, including recusal from voting or through other alternatives set forth in proxy policies.

The Adviser’s proxy policies are designed to ensure that any material conflict of interest is identified for a particular proxy vote and the vote is not improperly influenced by the conflict. If you are a client and would like to obtain a copy of the Adviser’s proxy voting policies or additional information about how proxies have been voted, please contact Brandon Fleishman at 302-526-1610.

## **Item 18 – Financial Information**

The Adviser and its affiliate entities have no financial obligation that impairs their capacity to meet contractual and fiduciary commitments to clients, nor has the Adviser or its affiliate entities been the subject of a bankruptcy proceeding.