

Allocate Management Company, LLC.

Investment Adviser Brochure

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Allocate Management Company, LLC (“Allocate”). If you have any questions about the contents of this brochure, please contact us at (650) 260-3431.

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. Any statements contained in this brochure concerning the registration of Allocate with the SEC, or its status as a registered investment adviser, do not imply a certain level of skill or expertise.

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

## **ADV Item 2 – Material Changes**

This Investment Adviser Brochure was last updated in March 2023 in connection with Allocate's annual updating amendment.

Disclosures throughout this Brochure have been enhanced and updated since Allocate's last amendment dated March 31, 2023, including relating to: (i) Allocate's fee arrangements in respect of certain of the Funds (as defined herein); (ii) certain fees and expenses borne by clients and investors; and (iii) risks of investing and other conflicts.

Even though a concerted effort is made to keep clients and investors informed of notable changes to Allocate's business throughout the year, clients and investors are encouraged to review this update, much like all of Allocate's reports and communications, in its entirety.

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## **ADV Item 4 – Allocate’s Investment Advisory Business**

### *Introduction*

Allocate Management Company, LLC (“Allocate”, “we”, “us” or the “Firm”), is a Delaware limited liability company. Allocate leverages the technologies developed and operated by its affiliate, Allocate Technologies, LLC, including its proprietary investment platform (the “Allocate Platform”) and analytics tools. The Allocate Platform provides accredited investors with whom Allocate has established a substantive relationship with the ability to access, purchase and use Allocate’s financial products, tools, and services thereon. Allocate and Allocate Technologies are wholly owned subsidiaries of Allocate Holdings Inc (“Allocate Holdings”), a privately held Delaware corporation. Samir Kaji, President and Chief Executive Officer of Allocate, serves as a member of the Board of Directors and the Investment Committee of Allocate.

### *Types of Advisory Services*

Allocate provides investment advisory services to private commingled investment funds (“Funds”), normally organized as limited partnerships and designed primarily for accredited investors, high net worth individuals, families, single- and multi-family offices, third-party advisers, and other businesses (each, a “Client” and collective “Clients”). Allocate acts as investment manager, sub-adviser, and managing member to the Clients).

Each Client is advised by Allocate in accordance with the specific investment objectives and restrictions (“Investment Program”) of such client. Allocate primarily executes its Client’s Investment Program through private investment funds (“Underlying Funds”), usually structured as limited partnerships, managed by unaffiliated investment managers (“Managers”) selected and monitored by Allocate, or other private investment opportunities, however, Allocate may also execute Clients’ Investment Program through Allocate-managed Funds or other investment strategies. In addition, Allocate directly manages certain assets, including certain direct investments in private companies (generally but not necessarily entered into as co-investments placed alongside investments by Managers). Allocate does not provide legal, tax, or accounting advice.

### *Investment Management Services*

Allocate provides advisory services (“Advisory Services”) to Clients that wish to outsource all or a portion of the management of their investment assets to Allocate pursuant to an investment management agreement (“Advisory Clients”). Advisory Services primarily include the construction and implementation of an Investment Program in venture capital and other private equity-related investments based on each Client’s related needs and financial objectives, as well as the ongoing monitoring of the Client’s Investment Program, its investment, and other investments Client have directed Allocate to include as part of the monitoring services. In addition, Allocate advises certain separate accounts, also normally organized as limited partnerships, for certain accredited investors that can invest in the same investment strategies (“CS Funds”, and together with the Advisory Clients, (“CS Clients”).

### *Fund Management Services*

Allocate provides Advisory Services to Funds, typically managed and organized by Allocate or one of its affiliates, but may also provide Advisory Services to other unaffiliated investment vehicles. Certain Funds identify and are typically created for the purpose of investing in a single Underlying Fund or series of Underlying Funds from the same Manager prior to the offering of the Fund (“Access Funds”), other Funds identify and select their managers pursuant to their stated strategy over a predetermined investment period, which typically commences after the first close of the Fund (such investment funds are typically known in the industry as “blind pools” and are referred hereto as “Portfolio Funds”).

Advisory Services for a Fund typically include the creation and implementation of a Fund’s Investment Program, and such other related functions set forth in the applicable governing agreements of such Funds. Advisory Services are provided directly to the Funds, and not to Fund investors. As further discussed in this Brochure, Allocate may execute a Fund’s Investment Program by investing some or all of its assets in another Fund managed by Allocate (referred to as a “Cross-Fund Investment”). As also further discussed in Item 7 below, the Funds are offered through private placement, exemption from the definition of “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

### *Special Engagements*

From time to time, Allocate may be engaged by a Manager to facilitate access to specific Underlying Funds or other investments. Typically, pursuant to such engagements, Allocate will form and manage an investment vehicle (“Aggregate Fund”) solely in an operational capacity, and Allocate will not typically conduct investment or operational due diligence with respect to the Underlying Funds or other investments. Generally, Aggregate Funds are available for investment only to eligible investors associated with the Manager and their clients seeking access to the Underlying Funds or other investments and referred to Allocate by the Manager, but may be offered to other prospective investors. Accordingly, there is the risk that Allocate may not detect conflicts of interest, fraudulent behavior or investment, administrative or operational weaknesses within the Aggregate Fund that may give rise to substantial losses.

Allocate may also be engaged by a Manager to execute a custom investment strategy designed by the Manager. Under such engagements, Allocate will form and manage an investment vehicle (“Custom Fund”) and provide Advisory Services for the Custom Fund, including the implementation of its Investment Program, and such other related functions set forth in the applicable governing agreements of such Custom Funds. In some instances, the Manager engaging Allocate may also act as an investment advisor to the Custom Fund.

References to “Fund” in the discussion of risks in this Brochure shall mean any of the Funds, including CS Funds, Access Funds, Portfolio Funds, Aggregate Funds and Custom Funds, as applicable.

### *Client Tailored Services and Client-Imposed Restrictions*

While Allocate generally manages most assets on a discretionary basis in accordance with the terms and conditions of each of the Client’s Investment Program, certain Clients, and investors in certain Clients, have the right to veto or consent to a proposed investment prior to such investment being

made.

When considering investing in a Fund, investors and prospective investors must note that the investment objectives and restrictions of a Fund are not tailored to any particular fund investor in such fund. Accordingly, Fund investors and prospective investors should refer to the offering documents, including the private placement memoranda and governing documents of the applicable Fund for complete information on the investment objectives and investment restrictions with respect to such fund, and consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing. There is no assurance that any Client's investment objectives will be achieved.

### *Wrap Fee Programs*

Allocate does not participate in wrap fee programs.

### *Assets Under Management*

As of December 31, 2023, Allocate manages approximately \$306,758,405 of committed capital on a discretionary basis and approximately \$175,290,041 of committed capital on a non-discretionary basis.

Please note that for certain Clients, December 31, 2023, values were not available from the Underlying Funds. Therefore, the assets under management with respect to each such Client are calculated as the sum of (i) the Client's values as of September 30, 2023, and (ii) the Client's remaining commitments, reduced by (iii) the Client's contributions receivable.

Allocate does not include in its regulatory assets under management the assets of any clients for which it (or one of its affiliates) serves as general partner but not as the investment adviser.

## **ADV Item 5 – Fees and Compensation.**

### *Fund Fee Arrangements*

Investors and prospective investors should review, in conjunction with this Brochure, the confidential private placement memorandum, limited partnership agreement and other governing documents of each Fund or separate account in which they invest for complete information on the fees and compensation payable.

### *Management Fee*

Allocate charges investors in its Funds management fees, generally charged quarterly. An expanded description of these methods of compensation is set forth below. Additionally, certain investors have negotiated fee arrangements that differ from the fee schedules set forth below. Factors influencing an investor's fee include, without limitation, investment mandate, services performed, investment amount (*e.g.*, account size within any Fund or across multiple Funds and/or separate accounts), and timing of investment (*e.g.*, whether an investor participates in the first, second or later closing of a Fund). Allocate's fees are separate from any fees and expenses charged by the Underlying Funds and/or their Managers; such fees and expenses are charged directly to the Funds in question and are in addition to Allocate's fees.

While the management fee is typically paid through the term of a Fund, certain Funds have shorter management fee pay periods. Management fees for a Fund in extension years or liquidation can be reduced, including to zero. The management fee is generally deducted from the applicable Fund directly by the general partner of such Fund. Note that, if Allocate's services are terminated, any prepaid and unearned management fees will be promptly refunded and any earned and unpaid management fees will be due and payable.

Below is a general breakdown of the different management fee paid by investors in Funds as of the date of this Brochure. Allocate reserves the right to revise its fees for future Funds offered by it. Investors and prospective investors in a Fund should consult the private placement memorandum and governing documents relating to the applicable Fund for details on each Fund's fee arrangements.

#### Access Funds and Portfolio Funds

Investors in Access Funds and Portfolio Funds offered after January 1, 2024, pay a management fee based on their commitment to each such Fund and the management fee percentage applicable to each investors ("Applicable Management Fee"). The management fee is paid quarterly in arrears, commencing on the Initial Closing date through the final liquidating distribution of the Fund. The "Applicable Management Fee Percentage" with respect to each investor is determined based on the sum of such investor's capital commitment to the Fund and capital commitments to all other Allocate managed Funds at the time of such investor's commitment to the Fund (the "Aggregate Commitment") as set forth below.

AGGREGATE COMMITMENT	APPLICABLE MANAGEMENT FEE
<\$1MM	0.70%
≥ \$1MM < \$5MM	0.60%
≥ \$5MM < \$25MM	0.50%
≥ \$25MM < \$75MM	0.40%
≥ \$75MM+	0.35%

For Access Funds and Portfolio Funds offered prior to January 1, 2024, Allocate typically charges investors in a Fund an annual management fee (paid quarterly in advance) calculated as a percentage of: (i) total capital committed to the Fund by investors; (ii) cumulative invested capital; or (iii) net asset value. The applicable percentage typically ranges from 0.25% per annum to 1.5% per annum; certain co-investment vehicles have custom fee arrangements that differ from this typical fee structure.

Generally, Fund interests purchased by the general partner of such Fund; certain investment funds and separate accounts managed by the general partner or an affiliate of Allocate; by officers, directors, employees and certain agents of Allocate and its affiliates; or entities owned by or for the benefit of such individuals or their respective immediate families (collectively, "Affiliated Investors") are not subject to such Fund's management fee.

## Aggregate Funds and Custom Funds

For Aggregate Funds and Custom Funds, Allocate expects to charge a management fee; however, such fees are negotiable and vary from Fund to Fund, and investors in those Funds can pay a materially lower or higher fee than investors in other Funds and in some cases no management fee. Allocate's fees for Aggregate Funds and Custom Funds, exclusive of carried interest, may be charged as a percentage of cumulative invested capital, committed capital or net asset value, or a set fee calculated based on factors such as the number of investors in such a Fund. The specific payment terms and other conditions of the management fees are set forth in the governing documents of the applicable Fund.

### *Performance-based Fees*

Certain Funds offered by Allocate, or investors in those Funds, pay Allocate performance-based compensation, typically a share of the profits of investments, which is sometimes referred to as "carried interest", in the range of 5 to 10 percent.

In addition, Allocate has entered into certain arrangements with respect to certain third-party managed co-investment vehicles for which Allocates acts as an investment adviser. Those vehicles include a carried interest of 20 percent of profits payable to Allocate, which has entered into a fee sharing arrangement with other investment managers with respect to such carried interest and the management fee of such vehicles.

Investors and prospective investors in a Fund should consult the private placement memorandum and governing documents relating to the applicable Fund for details on these fee arrangements. Under such arrangements, Fund interests purchased by Affiliated Investors will not be subject to such Fund's carried interest.

### *CS Client Fee Arrangements*

For CS Clients, Allocate expects to charge management fees similar to those that it would charge for investment in its Funds within a similar investment strategy; however, such fees are negotiable, and investors in separate accounts can pay a lower fee than investors in the Funds and in some cases no management fee. Allocate may also seek to charge carried interest to CS Clients, subject to negotiations with such clients. Allocate's fees for separate accounts, exclusive of carried interest, generally range from 0 to 100 basis points (of cumulative invested capital, committed capital or net asset value), with varying amounts of that total attributable to any carried interest. Additionally, certain CS Clients have negotiated fee arrangements that differ from the fee ranges noted.

CS Clients investing in Funds managed by Allocate typically pay no Fund-level management fees in such investments. If an investor in any such Fund ceases to be a CS Client, such investor will be charged the applicable management fee for that Fund like any other ordinary investor in such Fund upon termination of the applicable advisory agreement.

CS Clients and prospective clients should refer to the governing documents of the applicable client account for additional details on these fee arrangements.

### *Other Fees and Expenses*



### *Payments to Underlying Funds and Managers*

The Funds and other client accounts bear the fees and expenses, including carried interest or other incentive fees, charged by their Underlying Funds and Managers. Such fees are charged to investors in addition to Allocate's own fees and expenses. As a result, a Client and, indirectly, its investors, will bear multiple investment management fees, which may include incentive/performance-based fees, which, in the aggregate, will exceed the fees which would typically be incurred in a direct investment in an Underlying Fund or with a single Manager.

### *Cross-Fund Investments*

Allocate can also execute the Investment Program of a Fund through one or more Cross-Fund Investments. In a Cross-Fund Investment, the investing Fund will bear its pro rata share of expenses borne by the underlying Fund in which it invests, like any other ordinary investor in such underlying Fund. As a result, a Fund and, indirectly, its investors, will bear multiple expenses with respect to a Cross-Fund Investment, which, in the aggregate, could exceed the expenses which would typically be incurred by a direct investment with a single Manager. Investors and prospective investors should refer to the offering documents of the relevant Funds for further information regarding applicable fees and expenses.

### *Service Fees*

Allocate, or its affiliates, is generally entitled to receive a fixed service fee from the Funds and other client accounts. The actual amount of the fee varies between clients based on various factors (including the type of client, size, structure, and other factors), and can be structured as a one-time charge or a recurring charge.

### *Vehicle Expenses*

The Funds also bear their own fees, operating and other expenses, including, without limitation, organizational expenses; management fees; platform fees; any expenses related to the formation and operation of any SPV; a one-time "platform technology fee" to be paid to Allocate or an affiliate; commissions, finders fees (including if structured as incentive compensation, "profits interests" or otherwise) or brokerage fees or similar charges incurred in connection with the purchase or sale of securities, including but not limited to any merger fees payable to third parties and whether or not any such purchase or sale is consummated; expenses attributable to normal and extraordinary investment banking and commercial banking (including but not limited to bank account fees, wire fees and foreign exchange fees charged by any bank); all costs and expenses of holding meetings, individualized or group, of or with investors, including but not limited to travel-related expenses, transportation, meals and lodging for all employees of Allocate who attend, all expenses associated with guest speakers, meeting venue expense, meeting materials, meeting supplies (including any associated shipping costs), activities and/or entertainment associated with such meetings and any other out-of-pocket expenses incurred by the Fund, its general partner or Allocate in connection with such conferences or meetings or preparation thereof, including any "annual" meetings, which may be held at such location as determined by the general partner of the Fund from time to time (it being understood that reasonable costs attributable to attendees who are representatives or guests of investors, the general partner of the Fund or Allocate, the general partner(s) of the portfolio entities and service providers to the Fund shall also be borne by the Fund); break-up, reverse break-up, termination and other similar fees and expenses, interest expense for borrowed money (if any); all expenses relating to litigation and

threatened litigation involving the Fund, its general partner, or any Feeder Entity; indemnification expenses; all liquidation expenses of the Fund and its general partner; any sales or other taxes (except as provided below); fees or government charges which may be assessed against the Fund and/or its general partner; expenses incurred related to audits of the Fund, and/or its general partner conducted by regulatory bodies, including but not limited to the cost of completing IRS audits and fees incurred for assistance in responding to such audits and the preparation printing, distribution and/or filing of all reports (including financial and tax reports) and tax returns of the Fund and its general partner (including the costs and fees of maintaining any internet-based portal or website from which such items are made available); expenses attributable to automated reporting systems and other “back office” support functions, including fees and expenses relating to online reporting; expenses related to any electronic subscription agreement service used to accept subscriptions for limited partner interests in the Fund; fees and expenses of any administrator, transfer agent, registrar or other service provider related to Transfers of investor interests and/or maintaining the List of Partners; expenses related to benchmarking and any costs related to producing environmental, social and corporate governance reports and other market research services provided by third parties; tax accounting expenses (including but not limited to fees for tax preparation expenses incurred to prepare all tax forms, file all tax forms, and prepare tax liability calculations on behalf of the Fund and its Partners (and the general partner of the Fund); accounting audit expenses (including but not limited to fees to conduct audits in accordance with the Applicable Accounting Convention and/or Rule 206(4)-2 under the Advisers Act), including the fees, costs and expenses of any accounting, reporting or other similar administrative functions of third parties; appraisal fees; costs and expenses associated with Allocate’s database, whether internal or provided by a third party service provider, utilized for risk management, measurement and valuation purposes; legal expenses (including but not limited to all fees and disbursements incurred for regular maintenance or to amend this Agreement or the governing documents of the general partner of the Fund, fees incurred to form and/or negotiate the terms of lines of credit facilities for the Fund and/or SPVs and fees incurred for the review of the legal documents of investments); expenses related to services provided by in-house legal counsel of Allocate or its affiliates, charged at a rate up to \$500 per hour; provided, that such expenses for such in-house legal counsel shall not exceed \$50,000 per annum; expenses related to a depositary or depositary services or custodian or custodian services; fees, costs and expenses related to any third-party administrator; any costs and expenses relating to the provision of the company secretarial services of the Fund and its general partner, any costs and expenses of an administrator, secretariat, transfer agent, and any costs and expense relating to the maintenance of corporate records relating to the Fund and its general partner, the maintenance of the registers and records of the Fund and its general partner, distribution of reports and notices to investors and compliance with applicable law (including anti-money laundering law or registration requirements); expenses attributable to stock liquidation or distribution services, including any fees or expenses paid to any sub-advisor for distribution management services in which the sub-advisor is provided with the authority to sell publicly-traded securities that are received by the Fund; expenses attributable to consulting services, including, without limitation, services with respect to the proposed purchase or sale of securities by the Fund that are not reimbursed by the issuer of such securities, whether or not any such purchase or sale is consummated; fees and expenses of operating partners; expenses attributable to registration services, including but not limited to fees of the Fund’s (or other related entities’) registered agent and for maintaining the Fund’s (or other related entities’) registered office, filing fees paid to the appropriate jurisdictions to remain in good standing with the state or country in which the Fund, its general partner or SPV are organized); costs of obtaining and maintaining any fidelity bonding; reasonable premiums for insurance, including,

without limitation, insurance to protect any of the Fund, its general partner, any SPV, Allocate, any Service Provider and any of their respective partners, members, stockholders, officers, directors, managers, employees, consultants, agents or affiliates of the foregoing, cybersecurity insurance and director and officer insurance, and reasonable premiums for other insurance policies that the general partner of the Fund determines, in its discretion, are necessary or desirable to protect any of the Fund, its general partner, any SPV, Allocate any Service Provider and any of their respective partners, members, stockholders, officers, directors, managers, employees, consultants, agents or affiliates of the foregoing in connection with the activities of the Fund; all other direct and indirect expenses relating to the sourcing, investigation, development, evaluation (including due diligence), negotiation, purchase, holding, trading, financing, refinancing, restructuring, settlement, valuation and disposition of all investments, including but not limited to travel expenses, brokerage commissions, transaction fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions, whether or not any purchase or sale of an investment is consummated; the ordinary day-to-day expenses incidental to the operation and administration of each investment (including the cost of software (including the fees of third-party software developers) used by Allocate or its affiliates to track and monitor investments); amounts paid to or for the benefit of investments, other than as capital contributions thereto or in exchange for securities issued thereby; all marketing, advertising and public notice costs; other “broken deal” fees and expenses; fees and expenses (including legal and accounting) in connection with any restructuring of the Fund, its general partner or any SPV; all fees and expenses related to stock liquidation or distribution (or similar) services; legal expenses and other expenses related to compliance with AIFMD and any local laws, rules, regulations, decrees and other orders and judgments of general applicability of any non-U.S. jurisdiction, including the fees and expenses of any depositary; any extraordinary expense of the Fund, including fees and expenses associated with administrative or other proceedings, regulatory matters, settlements or reviews of the Fund including, without limitation, any changes to the management structure and operation of the Fund and the terms of this Agreement, the Management Agreement and any agreement with any other provider of services to or in respect of the Fund as its general partner considers to be necessary or desirable either to comply with the provisions of AIFMD or seek to ensure that the management of the Fund is not subject to the provisions of AIFMD; all fees, costs and expenses relating to the investments transferred to the Fund by its general partner, Allocate or any of their affiliates, including any other Allocate Fund, including the legal expenses relating to the acquisition of any such investment(s) by its general partner, Allocate or any affiliate thereof (including any Allocate Fund) and the transfer or contribution of such investments to the Fund; all other expenses incurred to meet and remain compliant with any and all objectives and/or requirements of the Fund as specified in this Agreement, any Subscription Agreement or any side letter; and all other expenses properly chargeable to the activities of the Fund or otherwise provided herein to be borne by the Fund. Fund Expenses shall include any of the foregoing expenses whether paid or payable directly by the Fund, or paid or payable by Allocate, the general partner of the Fund or any affiliate thereof and subject to reimbursement by the Fund. For avoidance of doubt, any travel expenses described herein may include expenses associated with the use of private aircraft, business-class or first-class travel; and may include amounts paid by the Fund to Allocate, or any affiliate thereof in respect of private aircraft and other travel; provided that the amount paid by the Fund (whether to Allocate or an affiliate thereof, or otherwise) in respect of private aircraft shall not exceed the cost of first-class commercial travel (as determined in good faith by the general partner of the Fund).

To the extent that a Fund invests in a Cross-Fund Investment, including in a secondary purchase of an

interest in an underlying Fund, the investing Fund will bear its *pro rata* share of fees and expenses charged or borne by the underlying Fund, like any other ordinary investor in such underlying Fund, unless expressly stated otherwise in the private placement memorandum and governing documents relating to the underlying Fund. As a result, an investing Fund and, indirectly, investors therein, will bear multiple expenses with respect to a Cross-Fund Investment, which, with respect to such investors, will in the aggregate exceed the expenses which would typically be incurred by a direct investment in the underlying Fund.

Generally, except with regard to acquisitions of interests in a Fund through the secondary market, certain Affiliated Investors will not bear certain fees and expenses with respect to a Fund.

Fund investors and CS Clients and prospective investors and clients should refer to the private placement memorandum and governing documents of the applicable Fund or CS Client account for more information relating to such fees and expenses.

#### *Outside Compensation for the Sale of Securities*

Neither Allocate nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with Allocate. Allocate reserves the right to directly compensate any entity for client referrals, transaction-based compensation to unaffiliated broker-dealers in connection with the investment in certain Funds by prospective investors, which compensation will not be borne by any Fund or investor therein.

#### *Prepayment of Fees*

Allocate will pro-rate the management fee for Fund Interests held for less than a full quarter as a result of subscribing for interests other than on the first business day of the quarter. Prepaid but unearned fees are refunded to the Funds and/or their investors, as the case may be.

**The foregoing discussion in Items 5 represents Allocate’s basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Fund or any Investor may vary. Although Allocate believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

#### *Performance Fees*

As detailed in the preceding section, Allocate receives performance-based fees from Funds managed by Allocate and other Clients, and has entered into certain limited arrangements where it is entitled to such fees. These are structured in the form of a “carried interest”, or percentage of the profit of the Fund or other client account.

While Allocate believes that performance fees can align the interests of an investment manager with those of its clients, performance-based compensation may create an incentive for Allocate to make decisions regarding the timing and manner of realization of investments differently than if such

compensation were not received. Allocate maintains an allocation policy designed to mitigate potential conflicts of interest that arise from the side-by-side management of Funds and Client accounts that charge performance fees and those that do not.

Similarly, most Managers utilized by Allocate also charge performance fees. The performance fees of some Managers in these sectors can be as high as 35% of cumulative profits or higher. Manager performance fees are paid directly by the Funds or CS Clients, and thus are borne by investors in such Funds or Clients. Manager performance fees are separate from and in addition to the performance fees charged by Allocate, as also described in the preceding section.

### *Other Conflicts*

#### *Cross-Transactions*

Allocate can, from time to time, to the extent permitted by law and applicable investment guidelines, cause investments to be transferred from one client to another (whether between Funds or client accounts), when it believes that such a transaction serves the investment programs of each client. Such transactions (sometimes called “cross transactions” or “cross trades” in the financial industry) create the possibility that, based on the subsequent performance of the asset in question, one of Allocate’s Clients could be said to have benefitted at the expense of the other. Allocate’s practice is not to permit a cross-transaction unless it has confidence in the current valuation of the assets to be transferred, based on objective criteria. In that manner, it seeks to ensure that, at the time of the trade, both parties are receiving appropriate value. Allocate would ensure that it complies fully with applicable statutes and SEC regulations in the event of these transactions.

#### *Principal Transactions*

Allocate generally intends to avoid any transactions between Client accounts where it or any of its affiliates has a significant proprietary ownership or other economic interest in one (or both) of such accounts (so-called “principal transactions”). If, however, Allocate determines that such a transaction is in the best interests of a Fund or one of its CS Clients, it may, and it may cause such client account to, enter into such a transaction provided that it has satisfied the requirements of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) with respect to the transaction, including the relevant disclosure requirements and the requirement to obtain the informed consent of such Fund or CS Client, as applicable. In addition, a Fund may borrow money from Allocate or any of its affiliates, provided the terms of such borrowing are at least as favorable to such Fund as the terms such Fund would have received in a contract negotiated at arm’s length with a third party.

#### *CS Client Investments*

When providing its Advisory Services to CS Clients, and based upon agreements reached with each CS Client, Allocate may place, or recommend a CS Client invests, all or a substantial portion of a CS Client’s assets in Funds managed and advised by Allocate, but Allocate can also invest the assets of a CS Client, or recommend that such client invests, directly in Underlying Funds and other Direct Investments operated by third-party Managers.

#### *Warehoused Investments*

Allocate may, under certain circumstances, permit a Client, or a related person, make investments on behalf of one or more Clients, with the intention that these investments be transferred to such Clients

after a short period of time. Typically, a pre-determined interest rate is paid to the Client, or related person prior to the transfer to such Client on costs incurred, but the original investing Client, or a related person will not receive any price appreciation or other income as a result of the investment. It is possible that a Client with sufficient capital to acquire any “warehoused” investments will not be formed. In addition, an investment of this type (i.e., an investment that is held by a Fund with the intent of transferring it to another Fund) can present conflicts of interest with respect to the allocation of the opportunity presented by the investment. Such investments are not subject to the Allocation Policy described above.

### **ADV Item 7 – Types of Clients**

As noted in the introduction to Item 4 above, Allocate Clients generally include Funds and can also provide investment advisory services to certain accredited investors pursuant to separate account mandates. Each of the Funds is offered through private placement, and relies on an exemption from the definition of “investment company” under Section 3(c)(7) or Section 3(c)(1) of the Investment Company Act, and eligibility to invest is subject to certain requirements imposed by federal securities laws. The majority of these private Funds require that investors own more than \$25 million in investments or otherwise are considered “qualified purchasers” for purposes of the Investment Company Act and regulations promulgated thereunder. Certain Funds, which limit the number of beneficial owners to 100 or fewer and charge performance fees, only require that investors be: (i) “accredited investors” under the federal securities laws, a definition that in most cases requires an institutional investor to have a net worth of at least \$5 million, and (ii) “qualified clients” under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The eligibility requirements of each of the Funds are described in detail in the offering and subscription materials for that Fund. In addition to these eligibility requirements, certain Funds may require a minimum investment for a Fund, which may be as low as \$25,000, although Allocate reserves the right to waive or raise that minimum.

Investors in the Funds and separate accounts may include high-net-worth individuals and estate planning vehicles as well as a variety of institutional investors (e.g., sovereign entities, endowments, foundations, corporations and other types of entities and other corporations or businesses) and others that meet the applicable terms of the exceptions and exemptions under which the Funds and the separate accounts operate. Allocate also reserves the right to permit certain affiliated individuals to invest in its strategies.

Allocate or its related persons can establish certain feeder Funds to address certain tax or regulatory requirements (each, a “Feeder Fund”). Each Feeder Fund, if formed, would be an investor of a Fund and interests in such Feeder Fund would be held by the investors who elect to participate in the Fund through such Feeder Fund. In addition, Allocate can form other alternative investment vehicles or special purpose vehicles (collectively, “AIVs”) for the purpose of facilitating certain investments by one or more Funds and/or investors. Investors and prospective investors should refer to the governing documents of the applicable Fund for complete details on any Feeder Fund established by a Fund and the Fund’s ability to make investments through an AIV.

### *Side Letters*

Allocate may from time to time enter into letter agreements or other similar agreements (collectively, “Side Letters”) with one or more investors of a Fund which provide such investor with additional

and/or different rights (including, without limitation, with respect to management fees, access to information and additional capacity offered by the Managers) than other investors have pursuant to general terms of such Fund. Allocate will not be required to notify any or all of the other investors Side Letters or any of the rights and/or terms or provisions thereof, nor will Allocate be required to offer such additional and/or different rights and/or terms to any or all of the other investors in the Fund.

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

### *Methods of Analysis*

Allocate primarily executes its investment strategies through Managers. Arrangements with Managers most often take the form of investments by Clients in underlying limited partnerships (or other types of commingled investment vehicles) managed and operated by Managers. In addition, Allocate directly manages certain assets, including direct investments in private companies typically structured as co-investments alongside investments in those companies by limited partnerships or special purpose vehicles advised by Managers utilized by Allocate.

Allocate's investment management services are focused principally on the selection and ongoing oversight of private capital Managers. Generally, the Portfolio Funds and CS Clients seek to achieve diversification of their investment portfolios through the allocation of assets to multiple Underlying Funds and additional portfolio construction considerations consistent with each Fund's investment strategy. Access Funds primarily seek to provide investors to exposure to select Managers at significantly lower investment minimums than would be required for a direct investment in any Underlying Fund. Because Access Funds are typically single-asset investment vehicles, they do not seek to achieve similar diversification objectives as Portfolio Funds.

Manager sourcing and selection is generally based on Allocate's sourcing advantages, and its extensive due diligence process, which includes a mix of quantitative and qualitative analysis to vet a prospective Manager. Allocate's sourcing process typically leverages the industry connections of its senior professionals to gain access and identify Managers and provides clients the opportunity to invest in new private capital concepts.

As part of typical qualitative analysis of potential investments, Allocate reviews and seeks out information on the backgrounds of the principals of a Manager managing the investment, including their relevant industry and strategic relationships. Allocate also analyzes a Manager's historical performance and the history, cohesiveness, and experience of the principals working together as a management team. In addition, Allocate reviews offering memoranda, limited partnership agreements, and subscription documents as part of its due diligence to ensure that terms are in line with similar strategies and generally in line with market standards. Allocate's quantitative analysis generally focuses on the historical track records of investment results of a Manager, as well as by relevant investment focus, geography, industry, and stage. The sourcing and selection process of a Manager is not subject to specific time requirements and, while Allocate may track a Manager for years before making an initial investment, Allocate may source and make a decision to invest in opportunities on an expedited basis. Once full due diligence is completed, a recommendation for investment is prepared by the investment team and presented for consideration in a formal investment committee process.



Each investor and prospective investor should carefully review the confidential private placement memorandum or other similar principal disclosure document relating to each Fund or investment service (together with any supplements, subscription agreements, partnership agreements or other related materials, the “offering documents”), which include detailed additional information of the investment strategy, operations and potential risks of that Fund or investment service.

### *Investment Strategies*

In general, the investment strategy of Clients is to achieve long-term capital appreciation primarily through investment into one or more Underlying Funds or other Investment Opportunities. Underlying Funds generally pursue a venture capital model across different industries and sectors, including the technology and life sciences industry, and co-investments in private capital portfolio companies, but may include other strategies in private capital. Each of these investment strategies focuses principally on investments that are private (*i.e.*, not listed on any public exchange). The objective of each is to earn returns above those on publicly-traded securities over a long-term horizon (usually seven to ten years). The investment strategy of each Client is described more specifically in the offering materials or governing documents of each Client, as applicable. Some of the Clients employ multiple strategies or subsets thereof. There can be no assurance that this objective will be met.

Client investments are normally structured either as: (i) commitments to Underlying Funds operated by Managers; or (ii) direct investments (principally structured as co-investments in private companies alongside Managers). However, Clients can also use other appropriate structures. After a Client makes a commitment to an Underlying Fund, third-party Managers are typically responsible for the day-to-day investment decisions of the funds they operate. With the exception of certain direct investments, Allocate’s responsibilities with respect to private capital investments generally involve the selection, evaluation, oversight and monitoring of such third-party Managers, and Allocate does not generally have input into the investment decisions made by outside Managers.

### *Venture Capital*

Allocate’s global venture capital strategy aims to give investors the opportunity to earn long-term capital appreciation by investing in high-growth potential private companies from around the world, including in the technology and life sciences sectors. Funds employing this strategy execute their mandates through Underlying Funds that vary in stage, strategy, geography, industry, and vintage year. Venture Managers considered by Allocate include established venture managers, as well as newer or emerging venture managers. There can be no assurance that Allocate will continue to be able to access all of the Managers with whom it has invested in the past.

### *Co-Investment Strategy*

Allocate’s co-investment strategy seeks to invest in privately negotiated investments and portfolio companies primarily within the venture capital strategy. Most of these investments will be made either directly into a portfolio company or indirectly into the company through a co-investment vehicle established by the investment sponsor.

### *Private Credit*

Allocate’s private credit strategy focuses on generating income and risk-adjusted returns through investment with Managers focusing primarily on investments in sectors like venture debt, or U.S.



corporate middle market direct lending, with some exposure to non-U.S. corporate middle market direct lending, real estate direct lending and other private credit opportunities. With respect to venture debt, managers are expected to invest in privately originated debt to early-stage companies seeking to use venture debt to complement an equity round of financing, and growth-stage companies seeking to use leverage to eliminate the need for potentially highly dilutive equity financing. Other Managers are expected to invest primarily in (but not be limited to) privately originated senior secured loans to corporate middle market borrowers and collateralized loans to real estate borrowers. Managers may also invest in junior tranches of structured credit transactions such as residential and commercial mortgage-backed and other asset backed securitizations.

### *Offer of Co-Investment Opportunities*

Allocate in its discretion reserves the right to offer opportunities to co-invest alongside any of its Funds to one or more (but not necessarily all) of its Fund investors, or their affiliates, to operating executives, strategic investors and to other Clients, private investors, groups or individuals. Allocate may form vehicles designed to co-invest alongside existing Allocate clients. Investors in such vehicles may be a single investor that has invested in the applicable client, multiple investors or an investor or investors who have not invested in the applicable client. For any such investment vehicles that are formed to invest alongside any particular client, it is expected that any co-investment opportunities will be offered to such co-investment vehicles before being offered to any other investors (including investors in such Allocate client).

Allocate or an affiliate of Allocate shall be entitled to charge management fees and/or “carried interest” with respect to any such co-investment opportunities made available.

### *Principal Risks of Investing*

Below is a summary of the material risks of the investment strategies employed by Allocate. The offering documents for each type of Fund include detailed additional information about risk factors and should be reviewed by each investor and prospective investor. The risks involved for any particular Fund or other client’s account will depend on the investment strategy and the type of investments held in the Fund or client’s account. The following are general descriptions of various principal risk factors related to the significant investment strategies and methods of analysis employed by Allocate as described above. Investing in securities involves the risk of loss that all clients should be prepared to bear. The possibility of total or partial loss of capital exists, and the prospective investor should not subscribe unless they can readily bear the consequences of loss.

**It is important to note that not all risks are described below. Prospective investors should carefully read the “Risk Factors” section in the respective confidential private placement memorandum of the related Fund, or as otherwise disclosed in the subscription agreement or governing documents of an investor in a separate account.**

The following discussion of risk factors generally will not distinguish between investment managers that are affiliates of Allocate, internal portfolio managers, or Managers; they will collectively be referred to as “investment managers”. Similarly, it will not distinguish between Funds, CS Funds or separate accounts managed by Allocate or Underlying Funds managed by Managers selected by Allocate; they will be collectively referred to as “funds”. Where the context requires us to address a

risk that is more specific to a particular type of investment manager or fund, Allocate will refer to the type of manager or fund in question.

### *General Risks*

Investments in funds pursuing the types of investment strategies employed by Allocate generally involve a substantially high degree of risk, including the potential loss of the entire amount invested by an investor. The success of an investment will be affected by general economic and market conditions in the United States or other countries in which investment managers invest. General economic and market conditions include interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including tax laws, securities laws, bankruptcy laws or accounting standards), trade barriers, currency exchange controls, pandemics, epidemics, natural disasters, impacts of climate change, terrorism, wars, other armed-conflicts, global sanctions regimes and national and international political circumstances. Any of the foregoing conditions could have a material adverse effect on investment strategies. In addition, predictions about general economic and market conditions are uncertain and the impact of such factors will be larger or smaller depending on the types of securities a fund owns and the markets in which they trade.

Allocate performs due diligence on potential investments by the Funds but cannot provide assurance that any such investment will be successful. Further, the scope of due diligence performed is limited by restrictions imposed by the underlying investment manager or the operating company itself as a result of truncated timing. Despite the rigorous diligence process employed by investment advisers and the ongoing monitoring of investment managers, the risk exists that the assumptions made in connection with a particular investment decision might be incorrect or a particular investment strategy will not be followed by such investment managers.

The underlying portfolio companies are typically private companies with no publicly-traded securities. There is no assurance that the private investment managers will be able to find buyers for these private companies or that there will be another exit path, such as an initial public offering (“IPO”).

An investment manager’s identification of investment opportunities involves a high degree of uncertainty and is based on a subjective decision-making process. Thus, there can be no assurance that investment managers will be able to identify suitable investment opportunities and, even when an opportunity is identified, there is a risk that the opportunity will not be properly valued, particularly with respect to secondary market transactions, and/or will not achieve targeted rates of return. The possibility of the partial or total loss of capital exists with respect to any fund, and prospective investors should not subscribe for interests in any such fund unless they can readily bear the consequences of such loss.

An investment in a fund is not necessarily a diversified investment. Although some Funds allocate assets to multiple underlying funds, there can be no assurance that diversification will be achieved by those funds. A fund can invest a large percentage of its assets in securities issued by or representing a particular issuer, industry or type of security, investment strategy or type of risk exposure, without any limitation imposed by investment managers. Any such concentrations would magnify the effect of the realization of risks associated with such investments as compared to a more diversified account. Similarly, if a fund invests in a small number of issuers, a change in value of any single investment held by a fund would affect the value of a fund more than it would if the fund held a greater number

of investments.

**Limited Operating History.** Although the investment manager has previously sponsored investment funds, the Fund and the general partner are newly formed entities, and, accordingly have no operating history or investments upon which investors can evaluate the potential performance of the Fund. The prior performance of the other investment funds sponsored by the investment manager or its affiliates is not indicative of the Fund's future results. There can be no assurance that investments by the Fund will achieve returns comparable to the historical performance of the other investment funds sponsored by the investment manager or its affiliates. Any given investment made by the Fund may prove to be worthless, and investors may lose all or a portion of the capital they contribute to the Fund. An investment in the Fund should only be considered by persons who can afford a loss of their entire investment.

**Lack of Transferability or Redemption of Interests.** The interests in the Fund (the "Interests") are highly illiquid, have not been and will not be registered under the Securities Act or applicable state securities laws, have no public market and are not transferable except with the prior consent of the general partner, which consent may be withheld in its sole discretion. In addition, to the extent the general partner agrees to permit a transfer, the general partner (or its designee) will have a right of first refusal to purchase the transferred interest (except with respect to certain limited transfers, such as transfers to affiliates). The effect of the general partner's right of first refusal may be to reduce the aggregate purchase price that a transferring investor may be able to obtain from a third party. There is no established secondary market for the purchase or sale of existing private investment fund interests and although there has been an increasing volume of sales of such interests, no liquid market is expected to develop. Generally, investors may not withdraw from the Fund; provided, however, that certain investors may be required to withdraw in certain circumstances specified in more detail in the Partnership Agreement. The purchase of an Interest should be considered only by prospective investors willing and able to commit their funds for an indefinite period of time and who can afford a loss of all or a substantial part of such investment. The general partner or an affiliate thereof, including any other investment vehicle managed or advised by the Management Company, may acquire a Limited Partner's interest in the Fund without notifying some or all of the other Limited Partners. The general partner or its affiliates may be able to acquire an interest in the Fund on terms more favorable than third party acquirers.

**Lack of Liquidity of Portfolio Investments.** The investments in Underlying Funds and other investments will be illiquid, difficult to value, subject to legal and other restrictions on transfer, and long-term in nature, requiring a minimum of a number of years from the date of initial investment until exiting, if an exit is achieved at all. There are no assurances that the Fund will be able to liquidate a particular partnership interest or its investment in an operating company at the time and on the terms it desires. In addition, the significant returns of the venture industry have been largely driven by sales of portfolio companies and initial and secondary public offerings. At any particular time, one or both of these exits may not be available, or timing with respect to these exit options may be inopportune. The significant historical returns of the venture industry may not be available to the Fund.

**Lack of Registration.** The funds in which assets are invested are likely not to be registered as investment companies. Thus, in such cases, investors will not be provided the protections associated with the Investment Company Act. As a result, investors will not be provided various protections

(which, among other things, could include limitations on leverage or limitations on transactions between an investment company and its affiliates) offered to more highly regulated/registered funds. Further, certain investment managers might not be registered under the Advisers Act.

**Confidentiality and Material Non-Public Information.** The Fund agreements contain confidentiality provisions intended to protect proprietary and other information relating to the Funds and their investments, and such information will not be disclosed to investors in the Fund. To the extent that such information is publicly disclosed, competitors of the Funds, Underlying Funds and/or competitors of the underlying operating companies, and others, can benefit from such information, thereby adversely affecting the Funds, the general partners of such Funds, the Underlying Funds, the underlying operating companies, and the economic interests of the investors. In addition, any such impermissible disclosures could adversely affect the Funds' interests in the related Underlying Funds and, in turn, the performance of the Funds. Further breaches of confidentiality could affect the Funds' ability to have access to Underlying Funds.

From time to time, the general partners of the Funds, Allocate or their respective affiliates could come into possession of inside information concerning specific companies. Under applicable securities laws, the general partners of the Funds and Allocate might be unable to use such information for investment purposes, and this could constrain a Fund's investment flexibility.

**Inability to Mitigate Losses Limitations.** Changes in legal, fiscal, taxation and regulatory regimes may occur during the life of a fund which may have an adverse effect on a fund. A fund may not be permitted, or be able, to make adjustments to its structure or investment program in order to adapt to such changes. Changes in economic conditions may occur during the life of a fund that may have an adverse effect on its investments, such as rising interest rates, downturns in the economy or deteriorations in the condition of an industry sector in which a fund has invested or in which an underlying operating company operates. There may be changes in U.S. tax laws and regulations or tax laws and regulations in other jurisdictions that significantly affect a fund and its investments. Due to the illiquidity of a Fund's investments, an affected Fund will have limited ability to adapt to any such changes or mitigate any corresponding losses.

**Climate, Acts of War, and Other Related Risks.** Countries and regions in which Allocate, or investment managers invest, where investment managers have their offices or where they otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane), the impact of climate change, epidemics, pandemics or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or an epidemic could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster, epidemic, pandemic or outbreak) and could adversely affect Allocate's or investment managers' ability to do business. An increase in the frequency or severity of natural disasters due to climate change or other related factors could further adversely affect specific areas, regions, investment sectors or individual investments in which Allocate has invested client assets. In addition, terrorist attacks or civil unrest, or the fear of or the precautions taken in anticipation of such attacks or unrest, could, directly or indirectly, materially and adversely affect specific businesses and certain industries in which funds invest (either directly or indirectly via investment managers) or could affect the countries and regions in which clients are invested, where Allocate and investment managers have their offices or where they do business. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) and related geopolitical events, including global sanctions regimes, could also have a material adverse impact on the financial

condition of businesses, industries or countries in which clients are invested, or the currency in which investments or assets are denominated. Furthermore, natural disasters, epidemics, pandemics, outbreaks of serious contagious disease and terrorist attacks can have the effect of compounding or exaggerating the impact of any of the specific investment risks noted below on individual investments.

**Coronavirus and Other Public Health Risks.** The global outbreak of the novel coronavirus (“COVID-19”) has created unprecedented economic and social uncertainty throughout the world. The ultimate impact of the COVID 19 outbreak is difficult to predict, but it is likely that COVID-19 will have materially adverse impacts on global, national and local economies that are likely to persist for some time. The ultimate impact of COVID-19 is difficult to predict and will depend on various factors, including the emergence of new virus variants, the speed of global vaccine rollouts and the development of pharmaceutical treatments, as well as the response of governments and markets to efforts to control the pandemic, all of which are highly uncertain. Furthermore, disruptions to commercial activity across economies due to the imposition of quarantines, remote working policies, “social distancing” practices and travel restrictions, and/or failures to contain the outbreak despite these measures, could materially and adversely impact a fund’s investments.

Any public health emergency, including COVID-19 or other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on the investment manager, the Fund and its investments, and could adversely affect the Fund’s ability to fulfill its investment objectives. The extent of the impact of any public health emergency on the investment manager, the Fund’s operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and governmental interventions implemented (including the effectiveness of vaccines and the implementation of vaccination programs), the impact of such public health emergency on service providers and counterparties (including providers of financing) to Allocate or a Fund, the overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted.

**Material Risks Relating to the Fund-of-Funds Structure.** Generally, the Funds and other client accounts use a “fund-of-funds” or “manager of managers” investment strategy, whereby assets are principally invested in funds managed or operated by third-party investment managers selected by Allocate. As a result, clients will bear multiple investment management fees, which can include performance fees or incentive fees, which in the aggregate will exceed the fees which would typically be incurred by an investment with a single investment manager. Under some of these performance fees or incentive fees arrangements, the investment manager benefits from appreciation, including unrealized appreciation, in the value of the account, but not be similarly penalized for realized losses or decreases in the value of the account. Such fee arrangements create an incentive for the investment manager to make purchases that are unduly risky or speculative. Further, a Fund might be required to pay an incentive fee to a particular investment manager (based on gains in the assets committed to that investment manager) even though the Fund as a whole might have suffered a loss. Additionally, Allocate itself may also be compensated through an incentive arrangement. As with other investments, this incentive arrangement could create an incentive for Allocate to cause the Fund to make riskier and more speculative investments with investment managers than it would otherwise make in the absence of such performance-based compensation.

When investing in a Fund, investments will be selected by the investment manager, and investors will have no opportunity prior to investing to review or evaluate the specific investments selected by the investment managers. Fund investors will therefore be relying on the skill and experience of the investment professionals in selecting investment opportunities. In addition, the Fund will have no control over the selection of investments in portfolio companies, which will be made by the Managers, who will be responsible to evaluate each underlying investment. As a result, investment managers can on occasion be competing with each other for similar opportunities at the same time and take opposite positions from those taken by the other investment managers in the same or in a related investment. The impact of such competition or such competing or overlapping positions can be to reduce the overall diversification of the Fund's investment portfolio.

**No Right to Vote or Participate.** Whenever a Fund has voting and consent rights with respect to its interest in the Underlying Fund or a portfolio company, the Fund's vote will be determined by the investment manager in its sole discretion and not by the investors in the Fund. In addition, none of the Fund, Allocate or the investors will have an opportunity to participate directly in the control, management or day-to-day operations of the Underlying Funds.

**Investment Concentration.** Certain Funds, including Access Funds and Aggregate Funds, will invest solely in a single Underlying Fund. The Underlying Fund may only make a limited number of investments and accordingly, a significant portion of the Underlying Fund's aggregate commitments may be invested in any one industry, region or country, subject to any requirements or limitations set forth in the Underlying Fund organizational documents. As a result, any single loss on an investment by the Underlying Fund may have a significant adverse impact on the Underlying Fund and the Fund.

**Contributions in Excess of Commitments.** Subject to the terms of each Fund or client account, investors may be required to make contributions in excess of their commitment to the Fund.

**Default by Investors in a Fund.** If an investor in a Fund fails to make a required capital contribution to the Fund on its due date (including, without limitation, recalls of distributed capital), regardless of the reason (including legal or other prohibitions), the general partner may impose substantial penalties on such investor and use any available remedies to enforce the contribution obligation. If the Fund fails to make a capital contribution with respect to its investment in an Underlying Fund when due, whether as a result of a default of an investor or otherwise, such Underlying Fund may exercise various remedies against the Fund that, if caused by the default of an investor to the Fund, may or may not be allocated solely to such defaulting Limited Partner, including forfeiture of all, or a part of, such defaulting investor's indirect investment in such Underlying Fund. Notwithstanding the foregoing, a default by any investor could still have a material negative impact on the return of the Fund as a whole (including investors that have not defaulted on their commitment to the Fund).

**Material Risks Relating to Venture Capital.** Many venture capital investments are made at an early point in a company's life cycle. "Early stage" or "seed" investments by the Underlying Funds and/or the Fund can create value inherent in portfolio companies that can be realized only with substantial effort or expense. While early stage investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk that can result in substantial losses. The Underlying Funds and/or the Fund may invest in portfolio companies in their early stage

of development or with little or no operating history. Many of these portfolio companies will operate at a loss (or with no operating revenue), or with substantial variations in operating results from period to period. In addition, many of these portfolio companies will need substantial additional capital to support additional research and development activities, expansion or to achieve or maintain a competitive position. Such portfolio companies may face intense competition, including from portfolio companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Furthermore, the task of investing in early stage portfolio companies developing technology involves additional risk, including but not limited to: failure to develop or perfect the technology as planned; obsolescence; patent infringement and similar claims that prevent technology from being used or licenses; and lack of market acceptance of the technology. Often the success of an investment in a portfolio company will depend not only on the efforts of the Underlying Funds and/or the Fund, but also upon actions or other key individuals, or extraneous factors including political or economic developments over which the Fund and the Underlying Funds have little control. There is a high rate of failure of early stage companies and any given investment by the Fund may prove worthless. Additionally, the significant returns that have been earned in a small portion of venture capital investments have in large part resulted from the completion of highly successful initial public offerings (IPOs) or acquisitions that have permitted the venture investors to sell their equity interests at multiples of original cost. There can be no assurance that the public securities markets will support an IPO of the Underlying Funds' or the Funds' portfolio companies to permit such returns to the Fund or that the fundamentals of such portfolio companies will warrant such returns. The governing documents of the Fund typically will not impose any meaningful restrictions on the manner in which the Underlying Funds with early stage managers may invest and trade, and often permit the Underlying Funds with early stage managers to invest and trade in an essentially unrestricted range of strategies and securities, in some cases subject to consent rights negotiated by the investment adviser in the relevant agreements. As a result, Underlying Funds with early stage managers may from time to time suddenly and materially modify their investment objectives, styles, policies and/or restrictions. Any such modification could involve changes in the types of securities and other instruments that Underlying Funds with early stage managers use to implement its strategy, as well as changes in the markets in which such securities and instruments trade. The investment adviser will generally not be able to withdraw Fund assets from Underlying Funds which is incurring significant peak-to-trough drawdowns which may materially adversely affect the Fund. Underlying Funds with early stage managers generally are not required to follow any formal diversification policies in trading on behalf of the Fund. Accordingly, the Fund may from time to time become significantly concentrated in a particular market sector, geographic region, issuer, specific instrument, etc. Such concentration increases risk. Underlying Funds with early stage managers may employ substantial amounts of leverage as well as engage in other specialized investment techniques and practices in managing the Underlying Fund. These techniques and practices include, but are not limited to, use of derivatives, short selling, hedging, securities lending, use of models and trend-following. These techniques and practices may increase the opportunities for gain, but also may substantially increase the risks of volatility and loss. In the case of leveraged trading strategies, market illiquidity (whether relating to exchange-traded or over-the-counter instruments) creates the risk of an Underlying Fund not being able to reduce positions in order to reduce the amount of its borrowings or to raise cash by selling positions in order to meet margin calls — possibly resulting in total losses.

**Certain Risks Particular to Growth Equity Investments.** The Fund expects to invest in certain growth

equity investments. While growth equity investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial or total losses. Among these risks are the general risks associated with investing in companies at an early or growth-stage of development or with little or no operating history, companies with substantial variations in operating results from period to period, companies with the need for substantial additional capital to support expansion or to maintain a competitive position and companies dependent upon new or developing technology. Furthermore, companies at an early or growth stage of development may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and services capabilities and a larger number of qualified managerial and technical personnel. These companies also may rely upon rapidly changing technologies. Therefore, technological obsolescence and other technology risks may adversely impact the performance of these companies.

**Certain Risks Particular to Emerging Manager Investments.** The Fund expects to invest a portion of its capital with venture capital managers whose teams have “spun out” from established firms or are forming their first investment vehicle after working in industry or as entrepreneurs. Investing with such managers involves a high degree of risk, as these managers typically do not have established track records of establishing or running private investment funds or investment management companies. In connection with starting their own firms, these persons may be required to take on management and other responsibilities far in excess of their responsibilities at their prior firms, and such additional responsibilities may interfere with their ability to find attractive investment opportunities or to implement their investment strategies. There is a risk that such teams will not be able to maintain the same quality of deal flow that they had while at their previous firms, will not be able to successfully implement their investment strategies without the additional resources available to such persons at their prior firms, and will not be able to successfully attract and retain qualified personnel.

**Material Risks Related to Co-Investment Strategy.** Co-investments involve a high degree of risk, including many of the material risks discussed above, including those related to Venture Capital. The co-investment strategy seeks to make privately negotiated investments into companies that are either profitable or generally expected to become profitable before exiting the investment. Most co-investments will be made either directly into a portfolio company or indirectly into the company through a co-investment vehicle established by the investment sponsor. Typically, the sponsor is a private equity manager with whom Allocate has previously committed capital. A co-investment might also concentrate a private equity portfolio in a particular industry or with a particular manager.

There is no assurance that a fund will be able to identify investments that satisfy the fund’s investment objective, or that the fund will be permitted to invest, or invest in the amounts desired, in such investments. Follow-on financings may reduce prior valuations in preceding rounds of financing in which it has invested. The inability to make a follow-on investment can dilute the fund’s interest in an investment and thereby impair a fund’s ability to maximize returns on its investment. Legal disputes, involving the fund, Allocate or its affiliates, or investments and their general partners and affiliates, can arise from such financings or the participation in the management of an investment by such parties. Typically, the investment will indemnify such persons against such claims, which could reduce returns and potentially require a recall of previous distributions to investors and could have a significant adverse effect on the fund.



Allocate's ability to conduct diligence on a portfolio company will typically be limited to resources available, including due diligence prepared by third parties, or information provided by the sponsor or unrelated managers and the portfolio companies. Typically, such due diligence contains errors or omissions, or is otherwise inadequate, and will not reveal or highlight all relevant facts that might be necessary in evaluating a particular investment opportunity, and neither Allocate nor a fund will have any recourse against the provider of such due diligence. Due in part to time pressures inherent in the co-investment process, the investment analyses and decisions can be undertaken on an expedited basis in order for a fund to take advantage of available investment opportunities. In such cases, the information available at the time of an investment decision could be limited, and the fund might not have access to the detailed information necessary for a thorough evaluation of the investment opportunity. There can be no assurance that any due diligence will result in an investment being successful.

In order to gain access to co-investment opportunities, a fund might be required to pay a fee and/or a carried interest, the application of which would reduce the returns to investors. A fund will also indirectly bear a portion of fees paid by a portfolio company to the lead sponsor of a transaction, including success, monitoring, consulting, investment banking and other types of fees. If a proposed investment fails to close, a fund will be required to bear expenses borne by the fund or a portion of the expenses incurred by the lead equity sponsor of the transaction. Conversely, when a transaction does close, a fund will not share in any success fees paid by the portfolio company, all of which are likely to be paid to the lead equity sponsor.

Typically, Allocate will not have the opportunity to meaningfully influence negotiations with the underlying portfolio company or its management. Instead, it will be focused principally on seeking to increase the alignment of a fund's interests with those of the lead equity sponsor, and to reduce the risks that follow from holding a minority equity interest in a company, while relying upon the skills and judgment of the lead sponsor to negotiate favorable investment terms with the portfolio company. Allocate's efforts in this regard may not be successful.

A fund will generally hold non-controlling or passive interests in portfolio companies and will not be able to control or influence the business or affairs of such entities. Portfolio companies could have economic or business interests or goals that are inconsistent with those of a fund, and a fund might not be in a position to influence those interests or goals or otherwise protect the value of the fund's investments in such entities.

**Secondary Investments.** The Fund may acquire interests in Investment Funds and Direct Investments on the secondary market on an opportunistic basis from existing investors. There can be no assurance that the Fund will be able to identify investment opportunities on the secondary market or that it will be able to acquire secondary investments on attractive terms. In the cases where the Fund acquires an interest in an Investment Fund in a secondary transaction, the Fund may acquire contingent liabilities of the seller of the interest. More specifically, where the seller has received distributions from the relevant Investment Fund and, subsequently, such Investment Fund recalls one or more of these distributions, the Fund (as the purchaser of the interest to which such distributions are attributable and not the seller) may be obligated to return monies equivalent to such distributions to the Investment Fund. While the Fund may, in turn, make a claim against the seller for any such monies so paid to the Investment Fund, there can be no assurances that the Fund would prevail on such claim or that the

Fund would have the right to make such a claim against the seller. Finally, in some instances, the Fund may have the opportunity to acquire a portfolio of Investment Funds from a seller on an “all or nothing” basis. Certain of the prospective Investment Funds in the portfolio may be less attractive than others, and certain of the sponsors of such Investment Funds may be more familiar to the General Partner than others, or may be more experienced or highly regarded than others. In addition, the Fund may have the opportunity to participate in a “stapled secondary” (e.g., a secondary market purchase of an existing limited partner interest and a corresponding commitment to a new fund in formation sponsored by the same investment manager). In certain instances, the purchase of the interest in the new fund may be less attractive than the secondary market purchase of an existing limited partner interest. In such cases, it may not be possible for the Fund to exclude from such purchases those investments which the General Partner considers (for commercial, tax, legal or other reasons) less attractive.

**Digital Asset Investments.** The Fund and Underlying Funds may invest directly or indirectly in digital currencies, or in funds or companies that develop, operate or maintain infrastructures for digital currency networks or that operate in or around the digital currency networks, decentralized application tokens, protocol tokens and other cryptofinance coins, tokens and digital assets and instruments that are based on blockchain, distributed ledger or similar technologies (all such technologies collectively, “Digital Assets”). Digital Assets networks are generally online, end-user-to-end-user network that hosts the public transaction ledger and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In a Digital Asset transactions can be vulnerable to hacking and malware, and could lead to theft of the Fund’s (or an Underlying Fund’s) digital wallets and the loss of the Fund’s (or the Underlying Funds’) digital currencies. Many digital currency exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such digital currency exchanges were not compensated or made whole for the partial or complete losses of their account balances in such digital currency exchanges. Digital Assets represent a speculative investment and involve a high degree of risk. A significant portion of the demand for digital currencies is generated by speculators and investors seeking to profit from the short or long-term holding of Digital Assets. Volatility in digital currencies may adversely affect the business of related funds or companies and the Fund’s investments in such entities.

It may be legal or illegal, now or in the future, to own, hold, sell, trade or use digital currencies in one or more countries, including the United States. Digital Assets are haphazardly regulated in most countries, including the United States, and one or more countries may take regulatory actions in the future that may restrict the Fund’s or the Underlying Funds’ (or their respective investments’) ability to hold or trade Digital Assets within the relevant jurisdiction, and could result in the termination or liquidation of the Fund’s (or Underlying Funds’) investment positions (or certain of their respective investments). Current and future legislation, rulemaking and other regulatory developments in various countries, including the United States, may impact the manner in which Digital Assets are treated for regulatory and clearing purposes. The Fund cannot be certain as to how future regulatory developments will impact the treatment of Digital Assets under applicable law. In the United States, the U.S. Commodity Futures Trading Commission (the “CFTC”) has indicated that that digital currencies and some Digital Assets are deemed to fall within the definition of a commodity future, and accordingly are subject to regulation by the CFTC under applicable commodities rules. The investment in such Digital Assets could subject the Fund to additional regulation and expense.

**Certain Risks Related to Borrowings.** A Fund may utilize a line of credit to borrow, including to

fund investments and to pay expenses and other liabilities. Such line of credit is expected to be provided by the investment manager, the general partner or an Allocate Fund at a predetermined interest rate. Though Allocate contemplates use of the Fund's line of credit primarily for administrative convenience to reduce the overall number of capital calls from the investors and avoid having excess cash on hand, the Fund's net internal rate of return ("IRR") may be higher than it would be in the absence of such line of credit, since the Fund's net IRR will be based on the time investor contributions are actually made and use of the line of credit will delay such contributions. In addition, a reduction in the frequency of capital calls as a result of the use of the line of credit means that the size of individual capital calls will be greater. The Fund (and indirectly its Partners) will bear any interest expense, fees or other costs in connection with such line of credit. The line of credit may provide the lender with certain rights, which may include, without limitation, the right to call capital from the Partners in the event of a default and, in the event of a failure by an investor to fully fund its capital contributions to the Fund when due, the right to exercise certain default remedies directly against such Limited Partner. The Fund's line of credit may also include restrictions on investors' rights to transfer their Interests, which may in certain cases require prior approval from the lender.

Leveraged transactions can also involve the posting of collateral. In the event of an uncured default, could affect the Fund's operations, including preventing the Fund from conducting a repurchase of its interests. To the extent that a creditor has a claim on the Fund, such claim would be senior to the rights of the clients or investors in the Fund. In addition, the terms of any borrowing could impose certain investment restrictions on the Fund.

**Over-commitment Strategy.** A Fund may employ an over-commitment strategy. The investment manager may cause the Fund to commit to the Underlying Fund an aggregate amount in excess of the investors' capital commitments to the Fund, in which event the excess, if called by the Underlying Fund, would be funded through the distributions received from the Underlying Fund (in which case, investors would be allocated taxable income without any corresponding cash to pay taxes) or through borrowings. However, if there is a delay in the return of capital, or insufficient capital is returned from the Underlying Fund and the Fund is not able to borrow sufficient funds, the Access Fund may no longer be able to fully meet its capital contribution obligations toward the Underlying Fund.

**Multiple Layers of Expense.** The Fund's fees and expenses include not only the Management Fee and the Fund's operating expenses, but also the compensation and fees paid to the managers of the Underlying Funds in which the Fund invests, as well as the Fund's pro rata share of the costs and expenses of the Underlying Funds in which it invests. Due to this double layer of fees and expenses, the Fund's expenses will likely constitute a higher percentage of net assets than expenses of other investment entities which do not use a multi-manager approach. Both the Fund and the Underlying Funds will impose performance based allocations or fees, management fee charges and other expenses that will be borne (directly or indirectly) by the Limited Partners. An investment in the Fund will result in a greater expense than if investors were able to invest directly in the Underlying Funds. Investors should take into account that the return on their investment will be reduced to the extent of both levels of fees. Fees and expenses of the Fund and the Underlying Funds will generally be paid regardless of whether the Fund or the Underlying Funds produce positive returns. Additionally, if the Fund invests into an Allocate Fund, or otherwise invests indirectly through a special purpose vehicle, the Fund will bear the expenses associated with such investments, and if the investment in a Allocate Fund is acquired on the secondary market, the Fund will also bear the fees and carried interest (if any)

applicable to such Allocate Fund.

**Certain Risks Associated with Underlying Manager Funds.** As previously described, Allocate can invest the assets of its investors in funds managed by third-party investment managers. The particular risk factors associated with these underlying funds are described further in their respective offering documents.

**Volatility of Returns.** Historically, venture capital returns and other private capital strategies have varied greatly over time, depending on the conditions at the time investments were made and when investments were exited.

**Tax-Related Considerations.** There are a number of tax considerations with respect to investments of or relating to a client. Tax laws are subject to change, and tax liabilities could be incurred as a result of changes thereto. Investors can be subject to U.S. federal, state, local, and non-U.S. filing requirements as a result of an investment, and a client itself can be subject to U.S. federal, state, local or non-U.S. taxes. Investors and prospective investors should consult their own tax advisers to determine the tax effects on or of a client, especially in light of their particular situation. Further, the offering documents for investments typically include detailed additional information about tax considerations in respect of an investment and should be carefully reviewed by each investor and prospective investor.

**Other Tax Risks.** An investment in Fund may involve complex U.S. federal income and foreign tax considerations that will differ for each Investor depending on the investor's particular circumstances. U.S. tax-exempt investors should expect to recognize UBTI from a Fund, which will create a requirement to make tax filings and pay taxes. Non- U.S. investors should expect to recognize ECI through the Fund. Non-U.S. investors also should expect to be subject to U.S. federal income tax withholding and may be subject to the U.S. branch profits tax, on their shares of income from the Fund, and should expect to be subject to U.S. tax return filing requirements. Investors should also consider the potential state and local tax consequences of an investment in a Fund. Investors may also be subject to tax return filing obligations and income, franchise and other taxes in state and local jurisdictions in which a Fund or the Underlying Fund operates. The income earned by a Fund could be reduced by income and other taxes, including by way of withholding. Potential Investors should consult their own tax advisors regarding the state and local tax consequences of an investment in a Fund.

**Cybersecurity Risks.** Allocate, service providers to Allocate or a client 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 client, despite the efforts of Allocate and such 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 a client. For example, unauthorized third parties might attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of Allocate and such service providers, counterparties or data within these systems. Third parties might also attempt to fraudulently induce employees, customers, third-party service providers or other users of Allocate's systems to disclose sensitive information in order to gain access to Allocate's data or that of a client. A successful penetration or circumvention of the security of Allocate'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 Allocate or such 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 underlying investment managers with which, and the underlying portfolio companies in which, a client directly or indirectly invests, which could have material adverse consequences for such client and might cause the client's investments to lose value.

**Other Funds or Managed Account Agreements with Similar Strategies.** Allocate may in its sole discretion manage other Funds or enter into management or advisory agreements with respect to client accounts or other similar arrangements that provide an investment strategy and program similar to that of another Fund. Investors in any Funds with similar strategy and invested in the same or similar Underlying Funds as other Funds and client accounts may receive additional benefits (including, but not limited to, reduced fee obligations, or expanded informational rights) that investors in the other Fund will not receive. Neither Allocate, the Fund nor the respective Underlying Fund Managers will be required to notify any or all of the investors in a Fund or a custom client account of the rights or terms or provisions thereof, or to offer such different rights or terms to any or all of the investors in another Fund or custom client account.

**Counterparty Risk.** Allocate and/or its Clients may be subject to credit risk with respect to the counterparties to instruments entered into directly by the Clients or held by the Clients' underlying investments. The Funds will also be subject to the risk that a counterparty may become unwilling or unable to meet its obligations prior to settlement. The Clients may also be exposed to the credit risk of counterparties through a wide range of activities that occur in the normal course of the activities of the Clients, including through service providers, banks, brokers, insurance providers, trading counterparties, co-investors, portfolio companies, prospective portfolio companies, or other entities that the Clients will have financial exposure to. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a contract due to financial difficulties, the Clients may experience significant delays in obtaining any recovery under the contract in a bankruptcy or other reorganization proceeding. The Clients may obtain only a limited recovery or may obtain no recovery in such circumstances. Allocate is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with a single counterparty. The ability of Allocate to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Clients, especially during unusually adverse market conditions.

**Custody Risk.** Allocate is required to maintain certain Client assets at a qualified custodian. Clients may incur a loss on securities and funds held in custody in the event of a custodian's or sub-custodian's insolvency, negligence, fraud, poor administration, or inadequate recordkeeping. Custodial assets maintained at a bank do not typically become part of a failed bank's estate; however, Allocate's operations could be impacted by the bank's insolvency in that there may be a delay in trade settlement, delivery of securities, or other similar circumstance. Establishing multiple custodial relationships could mitigate custodial risk in the event of a bank failure.

**Bank Deposits Risk.** Deposits maintained at a Federal Deposit Insurance Corporation ("FDIC")

insured bank are covered up to \$250,000 per depositor, per insured bank, for each account ownership category, in the event of a bank failure. Any deposits over \$250,000 in cash at a single bank may be lost in the event that the bank fails. Further diversifying banking relationships could serve to minimize the potential uncertainty and destabilizing effect on Allocate's operations due to concern regarding the financial viability of a single banking institution. In addition, the valuation of companies may experience significant price declines, volatility, and liquidity concerns as a result of short- and long-term financing to continue operations at normal levels.

**Limited or No Diligence of Underlying Fund.** Certain Funds are formed due to an engaged by a Manager to facilitate access to a specific Underlying Fund, and neither the general partner nor the Allocate conducts due diligence to evaluate alternative potential investments for such Funds. In certain cases, neither the general partner nor the Allocate intends to conduct investment or operational due diligence with respect to the Underlying Funds and/or its target investments and, neither the general partner nor the Allocate will perform any due diligence on or otherwise gauge the effectiveness of the Underlying Fund's investment program or process. There is a risk that the general partner or Allocate, as applicable, may not detect potential conflicts of interest, fraudulent behavior or investment, administrative or operational weaknesses with respect to the Underlying Funds, any of which may give rise to substantial losses.

**Due Diligence Limitations in Investments.** The type and scope of due diligence performed may be limited by restrictions imposed by the underlying general partners, Underlying Fund Managers, and individual operating companies or restrictions as a result of limited time. There may be circumstances where conducting thorough due diligence is not possible, for example, due to time pressures or lack of access to information. In addition, due in part to increased time pressures inherent in the secondary process, the lack of the willingness of managers and companies to negotiate the terms of the underlying partnership agreements or operating companies investment documents with transferees, and the limited availability of information to transferees, the scope of due diligence in connection with a secondary purchase is typically narrower than in the case of a primary purchase, and may be truncated. Accordingly, the Fund will not have the benefit of the due diligence typically performed by the general partner in connection with investments when investing in secondary purchases or established Underlying Funds. For secondary purchases, the general partner will also need to review the restrictions on transfer with respect to each individual operating company. There is no assurance that the secondary interests that the general partner deems to be the most promising can be transferred to the Fund without triggering rights of first refusal with respect to such interests or that the Fund will be able to successfully acquire such interests.

**Fund Size.** There is no assurance as to the amount of total capital commitments that will be made to the Fund. If aggregate capital commitments are less than target capital commitments, the Fund will invest less than initially expected in each Underlying Fund or the applicable investment, and may have fewer investments. Accordingly, the Fund's portfolio may be more concentrated than expected. If, however, aggregate capital commitments are more than target capital commitments, the Fund may invest more than initially expected in each Underlying Fund or the applicable investment, and may have more, or the same number of investments.

**Termination of a Fund due to Insufficient Subscriptions.** In the event that the general partner determines for any reason, in its sole discretion, not to invest in the Underlying Fund, including,

without limitation, due to an insufficient amount of subscriptions, the general partner may cause the Fund to be wound up as soon as is reasonably practicable.

**Involuntary Withdrawal.** The general partner may require the complete or partial withdrawal of an investor from the Fund. Other investors may be required to make additional contributions of capital if an investor is required to withdraw from the Fund.

**Prior Performance Results.** The prior performance of the investment manager or its affiliates is not necessarily indicative of the Fund's future results. There can be no assurance that investments by the Fund will achieve returns comparable to the historical performance of the investment manager or its affiliates.

**Value of Investments.** Since Interests will be illiquid and the underlying assets of the Fund will similarly consist, to a substantial degree, of illiquid investments, it will be difficult to determine the market value of the Interests. The value of an investment in the Fund may fluctuate. Instability in the securities markets may also increase the risks inherent in the Fund's investments. In addition, timing of distributions from the Fund and distributions from the Underlying Funds will be uncertain, subject to the discretion of the general partners and the investment managers of the Underlying Funds, respectively, and may not occur at all. No assurance can be given that the Fund will return to investors all or any part of their contributed commitment. There is no established market for interests in private investment funds or for the privately held portfolio companies of private investment fund sponsors, and there may not be any comparable companies for which public market valuations exist. In addition, the general partner may not have access to all material information relevant to a valuation analysis. As a result, the valuation of the Interests may be based on imperfect information and subject to inherent uncertainties, and determining fair values and negotiating favorable acquisition prices may be difficult.

**Investor in the Underlying Funds.** Investing in the Underlying Funds will present certain unique risks to investors. For example, a smaller limited partner investing in an Underlying Fund may be materially affected by the actions of a larger limited partner investing in an Underlying Fund. Expenses or liabilities of such Underlying Fund (or the manager) arising from any legal action or proceeding against such Underlying Fund would be borne by the Underlying Fund, and creditors of the Underlying Fund may enforce claims against all assets of the Fund invested in the Underlying Fund. In addition, certain conflicts of interest may exist due to different tax considerations applicable to the Fund and other investors in the Underlying Fund.

**Dependence on GP Related Persons.** The success of the Fund will be dependent upon the activities of certain of the employees of the Management Company. No assurances can be given that the employees will continue to be affiliated with the Fund throughout its term. The loss of one or more of the Management Company's employees could have a significant adverse impact on the business of the Fund and its performance.

**Long-Term Investments.** There may be a significant period of time before the Fund has completed its investment program. Investments may take several years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition

of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there often will be no current return on the investments.

**Uncertain Timing of Capital Contributions.** The Fund may make investments in a significantly shorter time period than the length of the Commitment Period. There is no limitation on the maximum percentage of a Limited Partner's total capital commitment that may be called down annually.

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

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Allocate's advisory business or the integrity of Allocate's management.

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

### *Relationships Material to Allocates Advisory Business and Possible Conflicts of Interest*

Allocate is 100% owned by Allocate Holdings. A number of asset managers, including Managers of Underlying Funds, have invested in Allocate Holdings Inc., the parent company of Allocate, including affiliates of M13 Ventures, Urban Innovation Fund, Tusk Venture Partners, Fika Ventures, BluePoint Ventures, Anthemis Venture, Intera Investments, Ulu Ventures, Liquid 2 Ventures, Bedrock Fund Management, LLC, K1 Investment Management, Broadhaven Capital Partners, LLC, Secocha Ventures, RareBreed Ventures, Unshackled Ventures, SignalFire Management Services, LLC, Switch Ventures, Supernode Ventures, Cresset Partners, LLC, and Basis Set Ventures, among others. Allocate may offer products managed or sponsored by such investors or its affiliates and these relationships may create an incentive to select or recommend such asset managers' products as investments to Clients.

Allocate has entered into a strategic partnership with Dynasty Financial Partners, which includes a fee sharing arrangement with respect to certain services provided by Dynasty and its affiliates to their clients, with respect to investment by such clients in Funds. Such relationship may create an additional incentive for Dynasty and its affiliates to direct its clients' investments to a Fund or other products offered by Allocate.

Allocate and its related persons are, directly or indirectly, the general partners, investors or managing members of the general partner of each of the Funds. Certain principals and related persons of Allocate spend substantially all of their business time on one or more of the Funds and also spend a portion of their time with Allocate Holdings. Samir Kaji, the President and Chief Executive Officer of Allocate, a member of its Board of Directors and its Investment Committee, serves as the President and Chief Executive Officer of Allocate Holdings and a member of Allocate Holdings' Board of Directors, and as President and Chief Executive Officer of Allocate. Hana Yang, Vice President of Allocate and a member of its Board of Directors, serves as an officer of Allocate Holdings and a member of the Board of Directors of Allocate Holdings. Saul Cardenas, Chief Compliance Officer of Allocate, also serves as General Counsel and Chief Operating Officer of Allocate Holdings.

In addition, certain Allocate principals and/or related persons serve, or may serve, on the advisory



boards of the underlying investment funds in which the Funds invest to provide advice on certain conflicts of interest and other matters pertaining to such underlying investment funds. There might be instances where such persons are asked to vote on issues taking the needs of all investors in such underlying investment funds into account.

Neither Allocate nor its management persons are registered as a broker-dealer or broker-dealer representative, or as futures commission merchant, commodity pool operator, or commodity trading adviser.

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

Allocate has adopted a code of ethics (the “Code of Ethics”) that summarizes Allocate’s business ethical standards and is designed to monitor and prevent potential conflicts of interest. The Code of Ethics also requires that all employees promptly report suspected violations of the Code of Ethics or any applicable law or regulation and that they certify their compliance with the Code of Ethics on a periodic basis. Various policies have been implemented based on the principles contained in the Code of Ethics, several of which are described in this section. For instance:

#### *Trading Policy*

Allocate’s Insider Trading and Personal Securities Transactions Policy (the “Trading Policy”) is designed to prevent the misuse of material, non-public information by Allocate, its principals and other employees and their affiliates. The Trading Policy also requires all employees to seek pre-approval from Allocate’s Compliance Department before making a personal investment in other private investment vehicles and initial public offerings. In addition, employees are required under the Trading Policy to provide to the Compliance Department initial and annual holdings reports, as well as post-trade reporting.

#### *Conflicts of Interest*

Allocate’s Conflicts of Interest Policy requires disclosure by all employees of other activities or interests that may present actual or potential conflicts of interest, including gifts, travel and entertainment, outside business activities and service on corporate boards of directors.

A copy of the Code of Ethics will be furnished upon request. Investors may request to review a copy of the Code of Ethics by contacting the Allocate at the address or telephone number listed on the cover page of this Brochure.

#### *Participation or Interests in Client Transactions*

As general partners, investors or managing members of the general partners of each of the Funds, Allocate and its related persons have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by the Funds’ investments. Before Allocate makes a recommendation that a Fund buy or sell a security, all related persons that have direct ownership of such security at the time of such recommendation are required to disclose such interest to Allocate. A related person shall not be so restricted if such person’s only interest in a security is indirect through

one of the general partner entities, the Funds or otherwise.

In certain circumstances, related persons of Allocate can purchase interests in the same portfolio investments held by one or more Funds. All such transactions are subject to compliance with the Code of Ethics and the Trading Policy.

More information about the conflicts of interest associated with Allocate's private capital management activities can be found in Item 6.

## **ADV Item 12 – Brokerage Practices**

The Funds primarily invest in private funds and private placement securities that are not offered or transacted through a broker-dealer. However, the Fund or other client accounts can receive shares of certain public companies as part of a general distribution from the Underlying Funds in which they invest. In such instances, Allocate will engage brokerage firms to manage the disposition of such public securities distributed to Funds.

Subject to the investment objectives, policies and restrictions of each Fund or other client account as set forth in the governing documents of such Fund or other client accounts, Allocate typically has discretionary authority with respect to the selection of, and commissions paid to, brokers. In selecting brokers, Allocate seeks to obtain the best execution of transactions for its clients under the circumstances, which principally entails seeking the best terms reasonably available given the circumstances of a trade. Terms are a combination of explicit costs (commissions) and implicit costs (market impact, trading delay and opportunity cost). Allocate considers that best execution also entails such factors as reliability and accuracy of execution; speed of execution; counterparty risk; experience in liquidating distributions from private equity funds and knowledge of market conditions. In seeking to achieve best execution, Allocate will not be obligated to obtain the lowest commission or best net price for a Private Access Fund in respect of any particular transaction.

### ***Brokerage: Soft-Dollar Research***

Allocate does not currently enter into any "soft dollar" arrangements with brokers engaged to perform distribution management but reserves the right to do so in the future.

## **ADV Item 13 – Review of Accounts**

### ***Periodic Review***

All client accounts are reviewed by Allocate's investment team on a periodic basis. The factors that are considered during a review include adherence to Allocate's (as well as the Underlying Funds in a Client's portfolio's) investment policies, objectives and guidelines; performance; and other risk management criteria.

### ***Client Reports***

Investors in Funds and other client accounts periodically receive written reports in accordance with the applicable offering and governing documents or other written agreements with our clients. Fund

reports generally provide, typically on an annual basis, audited information with respect to portfolio holdings, performance and transactions. Additionally, Fund investors generally receive, typically on a quarterly basis, written unaudited account performance reports.

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

### *Compensation for Client Referrals*

Allocate does not directly compensate any entity for client referrals; however, it reserves the right to do so in the future and has paid and/or currently expects to pay transaction-based compensation to certain unaffiliated broker-dealers in connection with the investment in certain Funds by prospective investors, which compensation will not be borne by any Fund or investor therein.

## **ADV Item 15 – Custody**

Allocate is subject to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). Allocate will not have physical custody of any client assets (other than certain privately offered securities to the extent permitted by the Custody Rule). However, Allocate will be deemed to have custody of the assets of the Funds as a result of its position as an affiliate of the general partner of each Fund.

Nevertheless, Allocate is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund to the extent it complies with the provisions of the so-called “Pooled Vehicle Annual Audit Exception”, which requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund that is a fund-of-funds: (i) distribute its audited financial statements to all investors within 180 days of the end of its fiscal year; and (ii) upon such Fund’s final liquidation, obtain a final audit and distribute GAAP-compliant audited financial statements to all investors in such Fund after completion of the final audit. To the extent that Allocate does not comply with the foregoing provisions with respect to a Fund, however, Allocate will, in accordance with the Custody Rule: (i) take reasonable steps to ensure that a “qualified custodian” (as such term is defined in the Custody Rule) delivers quarterly account statements to each investor in such Fund; and (ii) engage, pursuant to a written agreement, an independent public accountant to conduct a surprise examination of the assets and securities of such Fund at least once annually and file a certificate on Form ADV-E with the SEC within 120 days of such examination (and notify the SEC within one business day if any material discrepancies are discovered during the course of such examination).

## **ADV Item 16 – Investment Discretion**

### *Investment Discretion*

Typically, Allocate possesses discretionary investment decision with respect to the Funds. Such authority is subject to internal guidelines which are described in the offering and governing documents relating to that Fund, as well as Allocate’s internal policies applicable and procedures.

In the case of CS Clients, Allocate can agree to manage these accounts on a discretionary and non-

discretionary basis. For discretionary CS Clients, Allocate exercises investment discretion to determine the securities bought or sold, or the Underlying Funds to be invested in, and the amounts of such investments, as determined by the advisory agreements with each such client. However, non-discretionary CS Clients generally require approval, which may be in the form of positive or negative consent, or as otherwise determined in the advisory agreement with such client, by the Client prior to Allocate hiring Managers and/or Underlying Funds.

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

### *Policies Applicable to Funds*

In managing Funds, Allocate generally invests the majority of assets of a Fund or separate account in one or more underlying commingled investment funds operated or managed by Managers. Unless otherwise provided in any Fund's or separate account's governing documents, Allocate has the authority and discretion to vote any securities held by the Funds or accounts on matters relating to the issuers of such securities, whether by proxy or otherwise (such voting being referred to as "proxy voting").

In the case of Fund or separate account assets that are invested in funds operated or managed by Managers, Allocate generally does not possess any right to vote securities that are owned within the investment portfolios of such funds; instead, the Fund or separate account owns interests in these funds themselves, and only possesses such voting rights as are provided to shareholders of or investors in those funds. In cases in which it selects portfolio investments itself, Allocate retains the sole discretion to vote proxies.

Allocate has established a Proxy Voting Policy in the event that it is required to vote a proxy for certain investments. Allocate votes proxies in a prudent manner, considering the prevailing circumstances at such time and in a manner consistent with the Proxy Voting Policies and Procedures and Allocate's fiduciary duties to its clients. In some instances, such as in the event of a conflict of interest, Allocate can determine that it is in the client's best interest for Allocate to "abstain" from voting or not to vote at all, and will do so accordingly. An investor can obtain information on how Allocate voted proxies for the applicable Fund by contacting Allocate at the address or telephone number listed on the cover page of this Brochure.

## **ADV Item 18 – Financial Information**

We are not presently aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.