

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

**Patricof Co LLC**

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**March 8, 2024**

This brochure (this “Brochure”) provides information about the qualifications and business practices of Patricof Co LLC. If you have any questions about the contents of this Brochure, please contact us at 212-393-4420. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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

**Item 2. Material Changes**

There are no material changes to report as this is Patricof Co LLC's initial Brochure.

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**Item 4. Advisory Business**

Patricof Co LLC ("we," "us," "our," the "Adviser") is a Delaware limited liability company that was formed in September 2007 and began evaluating investment advisory related services for clients in September 2018. We are principally owned and controlled by PCO HoldCo LLC which is ultimately owned and controlled by Mark Patricof.

We provide discretionary investment advice to private funds organized as special purpose vehicles (each a "Fund," or collectively, the "Funds"). We also establish a managing member for each Fund that is affiliated with the Adviser (each a "Managing Member"). In the future, we may also provide investment advice to additional private funds and separately managed accounts for institutional, non-retail investors ("SMAs").

Additionally, we provide limited non-discretionary services to certain professional athletes or high net worth individuals ("Members"). Members receive various non-investment related services such as educational content and bespoke professional networking support and events in addition to access to our Funds. In the future, we may evaluate other investment managers or deals upon request from Members and may recommend tailored investment opportunities for Members that are not suitable for a Fund, but such investment advisory services would be subject to a separate engagement agreement. We do not currently manage or monitor investment accounts for Members, and do not have investment authority over any such accounts, so Members make the ultimate decision with respect to purchasing and selling investments or otherwise acting on any advice we provide to them. References throughout this document to "clients" refer to the Funds and any other private funds and SMAs that we may advise in the future.

The Funds are managed in accordance with their own investment objectives, as described in their respective offering documents and governing agreements (together, the "Governing Documents"). We do not expect that we will permit investors in the Funds to impose limitations on the investment activities described in the Funds' Governing Documents. Under certain circumstances, we may contract with a client to adhere to limited risk and/or operating guidelines imposed by that client. We would negotiate such arrangements on a case-by-case basis. (*See Item 16 - Investment Discretion.*)

We do not participate in wrap-fee programs.

As of November 30, 2023, we managed approximately \$179,310,313 of regulatory assets under management on a discretionary basis. We do not manage any assets on a non-discretionary basis.

**Item 5. Fees and Compensation**

The Adviser's fees and compensation will be fully detailed in each Fund's Governing Documents, but a brief description of the Management Fees, Carried Interest, and Expenses generally charged to the Funds and received by the Adviser can be found below.

**Management Fees**

Beginning in August 2023, in connection with the Adviser's most recent Fund and for all subsequent of the Adviser's Funds, the investors are charged, or will be charged, an organization fee (the "Organization Fee") equal to 1% of invested capital and an administration fee (the "Administration Fee," collectively with the Organization Fee, the "Management Fee") equal to 2% of invested capital. Each investor shall contribute the full Management Fee to the applicable Fund upon the closing date (such contribution, the

“Management Fee Contribution”). The applicable portion of the Management Fee with respect to an investor shall be paid from the applicable Fund to the Adviser in four quarterly installments out of the investor’s Management Fee Contribution, with each installment paid quarterly, but not necessarily calendar quarterly, in advance commencing on the date of the applicable investor’s closing date and continuing until the one-year anniversary thereof.

Once paid from the Fund to the Adviser, the Management Fee is generally non-refundable; provided, however, if the Fund is liquidated prior to the one-year anniversary of the admission of a particular investor, then such investor shall receive a pro-rated refund of the Management Fee based on the number of days remaining in such twelve-month period. The Adviser may waive, reduce, modify or, with investor consent if applicable, calculate differently either the Organization Fee and/or the Administration Fee for one or more investors (including Affiliates of the Adviser and/or the investor and employees thereof) without notice to or the consent of the investors. Payment of the Management Fee may be deferred at the discretion of the Adviser. Any unpaid balance of the Management Fee will accrue as a liability of the Fund as a Fund expense. Such accrued but deferred Management Fees will not accrue interest. The Fund, with the consent of the Adviser, may also pay all or a portion of the Management Fee to any third party.

For certain Funds organized prior to August 2023, investors were charged a total Management Fee, subject to adjustment or modification through side letter agreements with the Adviser or Managing Member, ranging from approximately 0.75% to 3% of invested capital on either an annual or one-time basis. Such management fees were generally utilized by the Adviser to satisfy organizational and operating expenses of the Fund.

Each Fund’s Governing Documents outline the relevant management fees and expenses for that Fund.

### **Carried Interest**

Investors in the Funds who are “qualified clients” as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended, pay a carried interest to the Adviser or an affiliate of the Adviser, in accordance with the Fund’s Governing Documents or side letters. Generally, the carried interest paid by Fund investors is equal to a percentage of all realized profits of the Fund, generally between 20% and 22%, once all contributed capital has been returned to such investor. The Adviser may waive, reduce, modify or, with investor consent if applicable, calculate the carried interest differently for one or more investors (including Affiliates of the Adviser and/or the investor and employees thereof) without notice to or the consent of the investors. Please see Item 6 of this Brochure for additional information about performance-based fees received by the Adviser.

### **Expenses**

Beginning in August 2023, the Adviser shall initially satisfy the ongoing expenses of the Fund from Management Fee Contributions and/or the Adviser shall itself directly satisfy such expenses on behalf of the Fund up to an amount equal to the aggregate Management Fees it receives from the Fund.

The ongoing expenses of the Fund include all organizational and operating expenses of the Fund (excluding any regulatory expenses, or other costs incurred by the Adviser in connection with its daily operations, including but not limited to salary and other payments to employees or officers of the Adviser); and the operating expenses of the Fund include (i) out-of-pocket expenses that are associated with the disposition of portfolio company investments including transactions not completed; (ii) extraordinary expenses, if any (such as certain valuation expenses, litigation and indemnification

payments); (iii) interest on borrowed money, investment banking, financing and brokerage fees and expenses, if any; (iv) expenses associated with the Fund's tax returns and Schedules K-1, custodial, legal and insurance expenses, any taxes, fees or other governmental charges levied against the Fund, (v) attorneys' and accountants' fees and disbursements on behalf of the Fund; (vi) insurance, regulatory or litigation expenses (and damages); (vii) expenses incurred in connection with the winding up or liquidation of the Fund (other than certain liquidation expenses permissible under the governing documents), (viii) expenses incurred in connection with any amendments to the constituent documents of the Fund; and (ix) expenses incurred in connection with distributions to the investors and in connection with any meetings called by the investors.

To the extent the expenses of the Fund exceed the aggregate amount of Management Fee Contributions (and/or the Management Fees) made by the investors, then each investor shall make additional capital contributions to the Fund from time to time, as and when necessary to satisfy the Fund's obligations to pay its ongoing expenses.

All investors are encouraged to carefully review the Fund's governing documents for detailed information about expenses.

### **Membership Fees**

The Adviser generally receives an annual fixed fee of approximately \$30,000 from its professional athlete Members for the non-discretionary services described above in Item 4. The terms and fees for Members will be specified in the membership agreement between the Adviser and each Member ("Membership Agreement") and negotiated on a case-by-case basis. Payment of the annual fixed fee will generally be due upon execution of the Membership Agreement and annually thereafter for as long as the Membership Agreement remains in effect. The pro rata portion of prepaid annual fees may be refunded based on the period remaining in the applicable year upon termination of the Membership Agreement prior to the end of a given 12-month period.

Additionally, the Adviser has in the past accepted a one-time membership fee from certain investors that were not professional athletes and did not otherwise meet the Adviser's general criteria to be a client but wished to have access to a certain number of Fund investments. This one-time membership fee is subject to an offset against any carried interest that such investors accrue across the Funds in which they invest.

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

The Adviser or its affiliate is entitled to receive carried interest distributions from the Funds. Carried interest is a performance-based form of compensation in which the Adviser or its affiliate is entitled to receive a specified share of the profits earned by each Fund after its investors have been returned one hundred percent of their initial commitments in the Fund. Investors and prospective investors are encouraged to carefully review the Governing Documents for each Fund for details on how the carried interest is determined for such Fund.

Performance-based compensation arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement. Although each Fund currently only makes investments in one portfolio company during its lifecycle, performance-based compensation arrangements could also create an incentive for us to favor clients with higher performance-based compensation rates over other clients when allocating investments if we were to manage other types of clients in the future. We have adopted

procedures designed and implemented to ensure that all clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among them if such situations were to arise in the future. In particular, it is our policy that all investment opportunities will, to the extent practicable, be allocated among Funds (if and when applicable) on a basis that over time is fair and equitable to each Fund relative to other Funds, taking into account all relevant facts and circumstances. Although we manage multiple Funds, in general, we currently expect that only a single Fund will be eligible to participate in new investments at any given time. Accordingly, we generally intend to allocate a new investment opportunity to such Fund.

#### **Item 7. Types of Clients**

We provide investment management services directly to our Fund clients and not individually to investors in any Fund. Investors in the Funds are generally fund of funds, institutional investors, family offices, and high net worth individuals. The Adviser generally does not require a minimum investment amount for any Fund. However, any minimum investment amounts for a Fund will be disclosed in such Fund's Governing Documents.

We also provide non-discretionary services to Members that are professional athletes and high net worth individuals. In the future, Members may receive tailored investment advisory services, but we do not manage investments or investment accounts on their behalf. As such, there is no minimum investment amount for Members, but Members are generally sophisticated investors that meet the accredited investor and/or qualified purchaser thresholds.

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

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

The Funds make private equity investments in late-stage growth and buyout transactions in key verticals including food and beverage, enthusiast brands, consumer internet and media, travel and hospitality, fashion and apparel, and consumer health and beauty. The Funds also make investments in real estate assets, including farmland.

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

##### *Risk Factors*

An investment in a Fund involves a significant amount of risk and is suitable only for sophisticated investors of substantial means who have no immediate need for liquidity in the amount invested, and who understand and can afford a risk of loss of all or a substantial part of the investment. There can be no assurance that any returns will be realized or that an investor will receive a return of capital. In addition, potential investors should be aware that there will be occasions when the Adviser or its affiliates may encounter potential conflicts of interest in connection with the structure and operation of the Fund. None of the agreements and arrangements between the Fund and Adviser or its affiliates, including the compensation payable by the Fund to the Adviser or their affiliates, are the result of arm's-length negotiations. Accordingly, potential investors should carefully consider the following factors, among others, before making an investment in the Fund.

## Investment Risks

### *Risks Associated with portfolio company securities*

While venture capital investments offer the opportunity for significant gains, those investments also involve a high degree of business and financial risk and can result in substantial losses. There generally will be little or no publicly available information regarding the status and prospects of a portfolio company. Many investment decisions by the Adviser will be dependent upon the ability to obtain relevant information from non-public sources, and the Adviser may be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the Adviser's control. A portfolio company may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. The public market for technology and other emerging growth companies is extremely volatile. Volatility may adversely affect the development of a portfolio company, the ability of the Fund to dispose of investments and the value of investment securities on the date of sale or distribution by the Fund. In particular, the receptiveness of the public market to initial public offerings by a portfolio company may vary dramatically from period to period. An otherwise successful portfolio company may yield poor investment returns if it is unable to consummate an initial public offering at the proper time. Even if a portfolio company effects a successful public offering, the portfolio company securities may be subject to contractual "lock-up," securities law or other restrictions which may, for a material period of time, prevent the Fund or the investors from disposing of those securities. Similarly, the receptiveness of potential acquirers to a portfolio company will vary over time and, even if a portfolio company investment is disposed of via a merger, consolidation or similar transaction, the Fund's stock, security or other interests in the surviving entity may not be marketable. There can be no guarantee that any portfolio company investment will result in a liquidity event via public offering, merger, acquisition or otherwise. Generally, the investments made by the Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of the Fund's investment, a portfolio company may lack one or more key attributes (e.g., proven technology, marketable product, complete management team or strategic alliances) necessary for success. In most cases, investments will be long term in nature and may require many years from the date of initial investment before disposition.

### *Risks Associated with Passive Investments*

Although the Fund will be making venture capital investments through a passive strategy, all venture capital investments are speculative in nature, and the possibility of partial or total loss of capital will exist. The Adviser will not have or will have little control over the day-to-day management of a portfolio company.

### *Risk Inherent in Investing Through a Delaware Series LLC.*

Under Delaware law, a Limited Liability Company ("LLC") may be composed of individual series of membership interests. Most of the Funds have been created as a series of the Master LLC. This type of entity is referred to as a Series LLC. Each series effectively is treated as a separate entity, meaning the debts; liabilities, obligations and expenses of one series cannot be enforced against another series of the LLC or against the LLC as a whole. Each series can hold its own assets, have its own members, conduct its own operations and pursue different business objectives, but remain insulated from claims of members, creditors or litigants pursuing the assets of or asserting claims against another series. There is a certain



degree of uncertainty surrounding the Series LLC form. For example, the legal separation of the assets and liabilities of each series in a Series LLC has not been tested in court. Although Delaware law clearly provides for legal separation of series, it is unclear whether courts in other states and/or jurisdictions would recognize a legal separation of assets and liabilities within what is technically a single entity. Therefore, even if a Delaware Series LLC were properly operated with distinct records relating to the assets and liabilities of each series, a court in another jurisdiction could determine not to recognize the legal separation afforded under Delaware law. There is also uncertainty as to how the IRS will treat the separation of Series LLC's for tax purposes. The IRS has reserved the right to impose the tax liability of one series onto a master entity or another series under the master entity. The tax treatment of series entities is also unclear. It is possible that the debts, liabilities, and other obligations of one series of the master entity may lead to action against another series of the master entity. There would be a material effect on the Fund if various series of the Master LLC are not treated as separate entities.

#### *No Assurance of Profit or Distributions*

The Fund's follow-on investment strategy in startups, ideas, technologies and generally unproven companies, managing those investments, and realizing a significant return for investors is uncertain and unlikely. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize these investments successfully. There is no assurance that the Fund's investments will be profitable or that any distributions will be made to the investors. The marketability and value of any investment will depend upon many factors beyond the control of the Fund. The expenses of the Fund may exceed its income, and the investors could lose the entire amount of their contributed capital.

#### *Reliance on Portfolio Company Management*

Although the Fund or the Organizer may seek representation on the Board of Directors of a portfolio company or otherwise provide management and strategic planning assistance, the Fund will not have an active role in the day-to-day management of the companies in which it invests. To the extent that the senior management of a portfolio company performs poorly, or if a key manager of a portfolio company terminates employment, the Fund's investment in that company could be adversely affected. The returns of the Fund will depend in large part on the performance of these unrelated individuals and could be substantially adversely affected by the unfavorable performance of a small number of those individuals.

#### *Availability of Investment Capital*

A portfolio company will likely require several rounds of capital infusions before reaching maturity. The Fund and its co-investors may not provide any or only a portion of the necessary follow-on capital to a portfolio company. Accordingly, third-party sources of financing may be required. There is no assurance that the additional sources of financing will be available, or, if available, will be on terms beneficial to the Fund. Furthermore, the Fund's capital is limited and may not be adequate to protect the Fund from dilution resulting from multiple rounds of portfolio company financings. If the Fund does not have capital available to participate in subsequent rounds of financing, failure to participate may have a significant negative impact on a portfolio company as well as the value of the Fund's investment.

#### *Long-Term Investment*

An investment in the Fund is a long-term commitment and there is no assurance of any distribution to the investors. There is not now and there is not expected to be a public market for the Fund interests. The Fund interests may not be assigned, transferred or encumbered without the prior written consent of the

Adviser. Accordingly, an investor may not be able to liquidate its investment and must be prepared to bear the risks of owning its Fund interest for an extended period of time. The Fund interests will not be registered under the Securities Act, or under the various "Blue Sky" or securities laws of the state or jurisdiction of residence of any investor. The inability to transfer interests in the Fund may limit the availability of estate planning strategies.

#### *Management of the Fund*

The investors have no right or power to take part in the management of the Fund. Accordingly, the investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Fund. The investors will not receive the detailed financial information issued by a portfolio company that is typically available to the Adviser. Accordingly, no person should purchase Fund interests unless that person is willing to entrust all aspects of the management of the Fund to the Adviser. The Adviser may be removed and/or replaced as provided in the Fund's Governing Documents.

#### *Loans to the Fund*

The Adviser has broad discretion to cause the Fund to enter into loan agreements with third parties in which the Fund would be required to repay the principal balance plus interest or in which, if not repaid, could convert into a membership interest in the Fund and causing an investor to be admitted to the Fund after the initial closing. Such a loan could adversely impact an investor's return, and if the loan converts to a membership interest, existing investors' interests would be diluted.

#### *Limited Information*

Only limited information has been or will be made available to investors, the Fund, the Adviser and its affiliates regarding the portfolio company securities (as defined in the Fund's Governing Documents). Neither the Fund, the Adviser nor any of their affiliates is able to verify the veracity of any information of the portfolio company securities that is publicly available, and neither the Fund, the Adviser nor any of their affiliates makes any representation or warranty that the data or information is complete, correct or accurately reflective of the portfolio company securities.

In addition, while the Adviser conducts due diligence on portfolio company investments before recommending them to the Funds or investors, investors must not place undue reliance on the Adviser's analysis and an investment decision to purchase the Fund interests must be made based solely on the investor's own assessment of the portfolio company securities based on the information publicly available, which may not include information (or any) that in the context of other investment decisions might be a necessary part of an investor's appraisal of the investment's advisability. Investors considering an investment in the Fund must be aware that there is a risk that: (i) there are facts or circumstances pertaining to the portfolio company securities that the public (including the Adviser) and the investor are not aware of; and (ii) publicly available information concerning the portfolio company securities upon which the investor relies may prove to be inaccurate, and, as a result of (i) or (ii), the investor may suffer a partial or complete loss on its investment.

#### *Consequences of Failure to Make Contribution in Full*

The failure of an investor to respond to its commitment may result in the forfeiture of all or a substantial portion of that investor's then-existing Fund interest.

*Non-controlling Investments*

The Fund will typically hold a non-controlling interest in a portfolio company and will have limited ability to direct the actions of that company's Board of Directors in order to better protect or manage its investment.

*Contingent Liabilities on Disposition of Investments*

In connection with the disposition of an investment in a portfolio company, the Fund may be required to make representations about the business and financial affairs of that company typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of that investment to the extent that any of those representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Adviser may establish reserves and escrows. In that regard, distributions may be delayed or withheld or, if made, may be subject to recall until that reserve is no longer needed. Furthermore, under the Delaware Limited Liability Company Act (the "Act"), each investor that receives a distribution in violation of the Act will be obligated, under certain circumstances, to re-contribute that distribution to the Fund.

*Fund Not Registered*

Each Fund is not expected to be registered under the Investment Company Act pursuant to an exemption set forth in Section 3(c)(1) and/or Section 3(c)(7) of the Investment Company Act. The Investment Company Act provides certain protection to investors and imposes certain restrictions on registered investment companies (including, for example, limitations on the ability of registered investment companies to incur debt), none of which will be applicable to the Fund. The Adviser is not registered as a broker/dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or with the Financial Industry Regulatory Authority ("FINRA") and is consequently not subject to the record keeping and specific business practice provisions of the Exchange Act and the rules of FINRA. Neither the Fund nor its counsel can assure investors that, under certain conditions, changed circumstances, or changes in the law, the Fund may not become subject to the Investment Company Act or other burdensome regulations.

*Taxation Risks*

An investment in the Fund may involve complex U.S. federal income tax considerations that will differ for each investor. Under certain circumstances, the investors could be required to recognize taxable income in a taxable year for U.S. federal income tax purposes, even if the Fund either has no net profits in that year or has an amount of net profits in that year that is less than that amount of taxable income. Furthermore, the investors could incur U.S. federal income tax liabilities without receiving from the Fund sufficient distributions to defray those tax liabilities. Investors subject to taxes associated with the Fund's activities will be liable to pay taxes on their allocable shares of the Fund's taxable income. There can be no assurances the Fund will have available cash or that timely Fund distributions will be made to cover those taxes. Accordingly, an investor may be required to use cash from sources other than the Fund to pay that investor's allocable share of the Fund's taxable income. Certain risks related to these matters are discussed in further in each Fund's Governing Documents, which investors should read carefully. The Fund will file an annual information return on IRS Form 1065 and will provide information on Schedule K-1 to each investor following the close of the Fund's taxable year if deemed necessary by the Adviser. In the likely event that the Fund does not receive all of the underlying tax information necessary to prepare the Form 1065 and Schedule K-1 on a timely basis, the Fund will be unable to provide timely final tax information to the investors. Each investor will be responsible for the preparation and filing of that

investor's own income tax returns, and investors should expect to file for extensions for the completions of their U.S. federal, state, local, non-U.S. and other income tax returns.

#### *Tax Laws*

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

#### *Withholding and Other Taxes*

The Adviser intends to structure the Fund's investments in a manner that is intended to achieve the Fund's investment objectives. Notwithstanding anything contained in the Governing Documents to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable for taxation or in which the Fund makes investments of portfolio company securities. Investors should consult their own professional advisors with respect to the tax consequences to them of an investment in the Fund. Furthermore, the Fund's returns in respect of its investments may be reduced by withholding or other taxes. In addition, the Fund may invest in securities of corporations and other entities organized outside the United States. Income from those investments included in an investor's distributive share of Fund income related to those investments may be subject to non-U.S. withholding taxes, which may or may not be reduced or eliminated by an income tax treaty.

#### *Confidential Information*

The Fund's Governing Documents will contain confidentiality provisions intended to protect proprietary and other information relating to the Fund and the portfolio companies. To the extent that the information is publicly disclosed, competitors of the Fund or competitors of its portfolio companies, and others, may benefit from that information, thereby adversely affecting the Fund, a portfolio company and the Adviser, and the economic interests of investors.

#### *Litigation Risks*

The Fund will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that a portfolio company will face financial or other difficulties during the term of the Fund's investment. The Fund may also participate in portfolio company financings at implicit portfolio company valuations lower than the valuations implicit in preceding rounds of financing. In the event of a dispute arising from any of the foregoing activities (or other activities relating to the operation of the Fund or the Adviser), it is possible that the Fund, the Adviser or its investors may be named as defendants. Under most circumstances, the Fund will indemnify the Adviser and its investors for any costs they incur in connection with those disputes. Beyond direct costs, those disputes may adversely affect the Fund in a variety of ways, including by distracting the Adviser and harming relationships between the Fund and a portfolio company or other investors in a portfolio company.

#### *Recourse to the Fund's Assets*

The Fund's assets, including any investments made by the Fund and a portfolio company held by the Fund, are available to satisfy all liabilities and other obligations of the Fund. If the Fund becomes subject to a

liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and will not be limited to any particular assets, such as the asset representing the investment giving rise to the liability. Accordingly, investors could find their interest in the Fund's assets adversely affected by a liability arising out of an investment of the Fund.

#### *Factual Statements*

During the term of the Fund, the Adviser will provide to the investors reports and other information regarding the condition and prospects of the Fund and its respective portfolio company. The Adviser's duties, obligations and liability to the investors with respect to the content, completeness and accuracy of the information will be determined solely under a Fund's Governing Documents.

#### *Uncertainty of Future Results*

There can be no assurance that the financial and other results projected or estimated will be achieved or that similar results will be attainable by the Fund. Prior investment returns are not indicative of future success.

#### *Allocation of Management Resources*

Although the Adviser has agreed under the terms of the Fund's Governing Documents to devote sufficient time (in its discretion) to the business and affairs of the Adviser, the Fund, its other respective business commitments, any parallel fund, and any subsequent Fund, conflicts may arise in the allocation of management resources.

#### *Other Investment Funds*

The Adviser may create and manage other investment funds that have similar investment strategies and objectives. Those activities would require the time and attention of the Adviser. Any new investment fund created by the Adviser may focus on the same investments as those on which the Fund anticipates focusing and may compete with the Fund for investment opportunities. In that event, the Adviser, in its sole discretion, will allocate those opportunities between the Fund and those other funds on a basis the Adviser believes, in good faith, to be fair and reasonable. Those funds also may compete with the Fund for capital commitments from potential investors. In those situations, the interests of the Adviser may conflict with the interests of the Fund, the investors or both.

#### *Investments by Manager in Portfolio Company*

The Adviser or its affiliates may hold an interest in a portfolio company including, but not limited to, a direct investment in portfolio company securities. Holding that interest would require the time and attention of the Adviser or its affiliates. In those situations, the interests of the Adviser or its affiliates may conflict with the interests of the Fund, the investors or both.

#### *Return of Distributions*

Investors may be required to return amounts distributed to them to finance the Fund's indemnity obligations, subject to certain limitations set forth in the Fund's Governing Documents. Furthermore, under the Act, each investor that receives a distribution in violation of such Act will, under certain circumstances, be obligated to re-contribute that distribution to the Fund.

*Conflicts of Interest*

The Fund is subject to various conflicts of interest arising out of its relationship with the Adviser and their respective affiliates. None of the agreements and arrangements between the Fund and those parties, including the compensation payable by the Fund to the Adviser (or other entity designated by the Adviser), are the result of arm's-length negotiations. Investors ultimately will be heavily dependent upon the good faith of the Adviser. The Fund, from time to time, may enter into other transactions not specifically described in the Fund's Governing Documents with affiliates, officers, managers, members, employees, agents and representatives of the Adviser. If applicable, all funds of the Fund will be deposited with banks or other financial institutions in that account or accounts of the Master LLC as may be determined by the Adviser who will ensure records are maintained for the Fund assets associated with the Fund separately from the assets of any other person. The Adviser or their affiliates may perform services with respect to the transactions in which the Fund invests. The Adviser and its affiliates may acquire or possess interests in a portfolio company and those interests may be of a different class or type, with different rights and preferences, than those held by the Fund. Likewise, the Adviser and its affiliates may acquire or possess interests in other companies or business ventures that are competitive with a portfolio company or the Fund. Neither the Fund nor any investor will have the right to share or participate in those other investments or activities of the Adviser or to the income derived from those investments. The Adviser and its affiliates may engage in or possess any interest in other business ventures of any kind, nature or description, independently or with others, whether those ventures are competitive with the Fund or otherwise.

*Counterparty Risks*

In its ordinary course of business, the Adviser relies on various counterparties, which include, but is not limited to, brokers, dealers, banks, and custodians ("Counterparties"). These Counterparties, with which the Adviser does business on behalf of its Fund clients, may from time to time, default on their obligations with or without notice. Such defaults include, but are not limited to, a Counterparty's bankruptcy, insolvency, or other failure. A Counterparty's default on their obligations may impact the Adviser's or the Fund's ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at select Counterparties, which may or may not have a current or prior relationship with the Firm or the Funds, should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are recoverable. The Adviser's access to capital is subject to a variety of external factors that are outside of the Adviser's control, including the timing of default, a government agency's or other organization's actions, including the timing of the Counterparty's closure, ability to liquidate the Counterparty's assets, or to effect the Counterparty's sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty's technology infrastructure operating as intended to facilitate access. Furthermore, the Adviser's ability to access capital may have an impact on the Adviser's and the Funds' ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to investors. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

*ERISA Considerations*

Each investor is urged to consult with its own legal counsel regarding ERISA matters. Without limitation, an investor that is a fiduciary under ERISA should carefully consider whether an investment in the Fund would be consistent with its fiduciary duties. It is not expected that the Fund will qualify as a venture capital operating company ("VCOC") within the meaning of ERISA. Among other consequences, this will cause the Adviser to limit the percentage of Fund interests that may be held by "benefit plan investors" or entities regulated under ERISA and may make it impracticable for an investor to transfer its Fund interest to that entity.

*Risks Associated with Real Estate Investing*

Real estate investments that certain Funds may acquire can be risky and unpredictable. For example, many experienced, informed people lost money when the real estate market declined in 2007-2008. Time has shown that the real estate market goes down without warning, sometimes resulting in significant losses. Some of the risks of investing in real estate include changing laws, including environmental laws; floods, fires, and other acts of God, some of which may not be insurable; changes in national or local economic conditions; changes in government policies, including changes in interest rates established by the Federal Reserve; and international crises. Investors should not invest in real estate, or the Funds which acquire or develop real estate investments, unless they can afford to lose their investment and are willing to live with the ups and downs of the real estate industry.

**Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to an investor's or prospective investor's evaluation of our advisory business or our management.

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

As noted above, our affiliate serves as a Managing Member to the Funds. The Managing Member and the Adviser operate as a single advisory business with common officers and employees. The Adviser does not otherwise have any financial industry activities and affiliations but may receive compensation for certain services and activities that are not investment related, including but not limited to: art advisory, career development consulting, and professional networking services.

Additional information regarding how the Adviser addresses conflicts of interest is provided in Item 11 of this Brochure.

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

We have adopted a Code of Ethics, which is designed to help ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, our Code of Ethics sets forth standards of conduct for our employees to ensure that they conduct their business on our behalf in a manner that enables us to fulfill our fiduciary duty to our clients.

Our Code of Ethics governs personal trading by our employees, including certain preclearance and reporting requirements. In addition, the Code of Ethics sets forth the manner in which employees may



report violations of law or our policies and procedures. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

In addition to the Code of Ethics, we have adopted policies and procedures to provide standards related to the giving or receiving of gifts and entertainment, employee political contributions, outside business activities, and other matters for our business.

#### *Personal Trading Policy*

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

Employees are prohibited from transacting in any issuers that are listed on the Restricted List maintained by the Chief Compliance Officer.

#### *Participation or Interest in Client Transactions*

Our employees will make personal investments in the Funds. Investments made by employees are not charged a management fee or carried interest. Accordingly, employees do not pay a share of a Fund's organizational or operating expenses. Employee investments are otherwise made on the same terms and conditions as other investors in the Funds.

We do not anticipate engaging in principal transactions. However, if circumstances change in the future, we will not engage in any principal transactions unless we have determined that the transaction is in the relevant clients' best interests and have obtained client consent in accordance with our written procedures and applicable law.

### **Item 12. Brokerage Practices**

#### *Selection of Brokers*

Our advisory business generally involves privately-negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. With respect to such private transactions, we believe we fulfill our best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

The Funds will not typically invest in public securities. However, there may be situations in which we place a trade through a broker. If we are required to select a broker-dealer for a Fund transaction, we will seek "best execution" and will consider a number of factors during such selection, which may include, among others: execution capability, execution quality, commission rate, financial responsibility and financial services offered, willingness and ability to commit capital, confidentiality, trading expertise, facilities,



reputation and integrity, reliability in keeping records, responsiveness, and with respect to a particular trade, the timing and size of the order, available liquidity and market conditions.

During our last fiscal year, we did not acquire any products or services with client brokerage commissions (or markups or markdowns).

#### *Research and Other Soft Dollar Benefits*

We do not currently have any formal soft dollar arrangements. If we determine to engage in soft dollar transactions in the future, we intend to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

#### *Brokerage for Client Referrals*

To the extent that we trade in securities through brokers, we do not expect that we would direct client brokerage business to brokers that refer prospective investors to us.

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

#### *Review of Accounts*

It is the investment team's responsibility to understand which investment restrictions apply to which Funds under its management, and to ensure that any transaction for a Fund is consistent with the investment restrictions applicable to that Fund. As the Adviser generally forms a new Fund when seeking to invest in a new company, the Fund's governing strategy and investment restrictions generally reflect the specific investment being made by a Fund. In addition to ensuring that each investment, including follow-on investments, made for a Fund is consistent with the Fund's investment restrictions, each investment team, in conjunction with the Chief Compliance Officer, is responsible for the periodic review of the holdings of the Funds they manage.

#### *Reporting*

We seek to furnish investors in the Funds with periodic written unaudited performance reports. In addition, on an annual basis, we will provide investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letters" or other agreements, we provide certain investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us.

In addition, investors are provided with certain information about us and the Funds in response to questions and requests. This information may not be distributed to other investors or prospective investors. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

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

We do not expect that we will receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

We do not compensate any third-party marketers for introductions to potential investors or clients.

**Item 15. Custody**

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

**Item 16. Investment Discretion**

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

**Item 17. Voting Client Securities**

The Funds will generally invest in private companies which typically do not issue proxies. Under certain limited circumstances, however, we may be required to vote proxies solicited by our Funds’ portfolio companies. In these situations, we will vote proxies in the best interest of the Funds, which generally means voting to maximize the value of the portfolio companies for the Funds.

To the extent that we trade in or hold public securities in a Fund, we will generally have voting discretion over such securities. Clients are not able to direct their votes in a particular situation. We have adopted proxy voting policies and procedures, which are summarized below.

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

Upon the request by an investor, we will disclose to such investor how we voted proxies for securities owned by such Fund. We will also provide a copy of our proxy voting policies and procedures to clients upon request.

**Item 18. Financial Information**

We do not collect management fees from clients more than six months in advance. As such, we are not required to include our balance sheet for our most recent fiscal year with this Brochure.

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

We are not a state-registered adviser.