

**ANTHEMIS CAPITAL MANAGERS (AMERICAS) LLC**  
**Anthemis Capital Managers (Guernsey) Limited**

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

**Anthemis Capital Managers (Americas) LLC**  
**122 Hudson St. 3<sup>rd</sup> Floor**  
**New York, NY 10013**

**March 28, 2024**

This Brochure provides information about the qualifications and business practices of Anthemis Capital Managers (Americas) LLC (“**Anthemis US**”) and Anthemis Capital Managers (Guernsey) Limited (“**Anthemis Guernsey**”) (Collectively referred to as the “**Adviser**”, the “**Firm**” or “**Anthemis**”). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. If you have any questions about the contents of this brochure, please contact Naoshir Vachha, Chief Compliance Officer (or the “**CCO**”) at 44 (0)20 3653 0100 or [naoshir@anthemis.com](mailto:naoshir@anthemis.com).

Registration with the SEC does not imply any level of skill or training. Additional information about the supervised persons listed in this brochure supplement is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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***Item 2: Material Changes***

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Anthemis' last update to the Brochure was December 1, 2023. Since that update, the Firm has made the following material changes to the Brochure and its operations:

- Anthemis Capital Managers (Guernsey) Limited has been added as a relying adviser to Anthemis Capital Managers (Americas) LLC's registration. As a result, Items 5, 6, 10, 15, 16 & 17 of this Brochure have been updated to reflect Anthemis Guernsey's investment advisory services.

Additionally, certain nonmaterial changes have been made to this Brochure. Consequently, we encourage you to read the Brochure in its entirety.

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**Item 4: Advisory Business**

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**Item 4.A.**

Anthemis Capital Managers (Americas) LLC is a Delaware limited liability company with its principal office and place of business in New York, NY. Anthemis US is wholly-owned by Anthemis Asset Management Limited, an English limited company, which is (indirectly) wholly-owned by Anthemis Group S.A. Anthemis Capital Managers Limited (the “**Primary Adviser**” or “**Anthemis UK**”) is separately registered with the SEC as an investment adviser and is also authorized and regulated by the UK Financial Conduct Authority. The Primary Adviser is wholly-owned by Anthemis Asset Management Limited, an English limited company, which is (indirectly) wholly-owned by Anthemis Group S.A. Anthemis Capital Managers (Guernsey) Limited is a Guernsey Limited company with a principal place of business in Guernsey, Guernsey. Anthemis Guernsey is wholly-owned by the Primary Adviser.

**Item 4.B.**

Anthemis provides discretionary and non-discretionary investment advisory services to private, pooled investment vehicles. Anthemis’ Clients include the following (each, a “**Fund**,” some of which may include feeder investment vehicles which are also considered to be Clients, and together with any future private investment fund to which the Primary Adviser (as defined below) or its affiliates provide investment advisory services, the “**Funds**” or the “**Clients**”):

- Anthemis Insurance Venture Growth Fund, S.C.Sp (“**AIVG**”)
- Anthemis Venture Fund I LP (“**AVF**”)
- Anthemis Venture Fund II S.C.Sp (“**AVFII Master**”)
- Anthemis Venture II Feeder Fund SCSP (“**AVFII Feeder**”)
- Anthemis Venture II US Feeder Fund LP (“**AVFII US Feeder**”, together with AVFII Master and AVFII Feeder, “**AVFII**”)
- Anthemis Venture Fund III LP (“**AVFIII**”)
- Female Innovators Lab LP (“**FIL**”)

Anthemis US is engaged by the Primary Adviser through a sub-advisory agreement (the “**Sub-Advisory Agreement**”) to provide investment advice regarding investments for each Fund. Anthemis US follows the investment objectives, guidelines and restrictions set forth in the

applicable governing and/or offering documents of each Fund. Anthemis Guernsey has engaged the Primary Adviser to provide sub-advisory services to AVFIII. The Funds are private investment vehicles and invest through negotiated transactions in privately held growth companies (such investments generally referred to herein as “**portfolio companies**”).

Anthemis does not limit its investment advice to only certain types of investments.

Anthemis US’ advisory services are provided to Anthemis UK pursuant to the terms of an Advisory Agreement between Anthemis UK and Anthemis US relating to the Funds. Certain Anthemis affiliates serve as the General Partners to the Funds (the “**General Partners**”). Additionally, each Fund has a founding partner (“**Founding Partner**”) which receives a carried interest payment, as described below in Item 5. Throughout this Brochure, reference to Anthemis should be deemed to include reference to the “**General Partners**,” as the affiliates are under common control and provide services substantially through the same persons. The Funds do not offer interests to the public, and Fund interests are only offered in private placements to accredited investors. The terms applicable to investors in the Funds are detailed in the Funds’ confidential offering documents, which are provided to prospective investors.

Anthemis Guernsey provides advisory services solely to AVFIII.

*Please see Item 8.A. for additional information regarding the Firm’s investment strategy.*

#### **Item 4.C.**

Anthemis will tailor its specific advisory services with respect to each Fund based on the particular investment objectives and strategies described in, for example, a Fund’s confidential offering memorandum (if any), limited liability company operating agreement, account opening, investment advisory/management services agreement and other related documents (referred to collectively as the “**Governing Documents**”).

Investors in each Fund participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship among Anthemis US, the Primary Adviser and/or any investor. Each Fund or the relevant General Partner generally enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the Governing Documents with respect to such investors.

Anthemis US’ sub-advisory services to its Clients are provided pursuant to the terms of the Sub-Advisory Agreement.

**Item 4.D.**

Anthemis does not participate in a wrap fee program.

**Item 4.E.**

As of December 31, 2023, Anthemis managed approximately \$582,805,192 in regulatory assets under management on a non-discretionary basis with discretion being exercised by the Primary Adviser. As of December 31, 2023 Anthemis manages approximately \$25,961,322 in regulatory assets under management on a discretionary basis.

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***Item 5: Fees and Compensation***

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**Item 5.A.**

Anthemis US will be compensated by the Primary Adviser on a revenue split basis, as determined from time to time by the Primary Adviser and Anthemis US. No part of this fee will be payable by any Client and will be paid entirely by the Primary Adviser. The Primary Adviser and/or its affiliates reserve the ability - although to date no such entity has exercised such ability, and does not currently expect to exercise such ability - to receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation will generally offset in whole or in part the management fees otherwise payable to the Primary Adviser.

Although Anthemis US's fees are not paid by any Fund or underlying beneficial owner, such fees will ultimately depend on the total fees paid directly by the Funds, and indirectly by such Funds' beneficial owners. As such, Anthemis US has an interest in the amount of management fees and incentive fees received by the Primary Adviser; therefore, please review the Anthemis Capital Managers Limited Brochure for a description of fees charged to investors in the Funds.

***Management Fee***

Anthemis Guernsey is entitled to receive a "Management Fee" from AVFIII. During the investment period, the Management Fee will be 2.25% per annum of aggregate commitments. Thereafter, the Management Fee will be 2.25% per annum of the aggregate acquisition cost of unrealized investments. For this purpose, the permanent write off or permanent write down of an investment shall be treated as a realization. The Management Fee will be payable quarterly in advance. Except as otherwise agreed, the Carry Partner and Limited Partners who are affiliates,

employees or other designees of the General Partner will not be subject to carried interest or the Management Fee.

### *Carried Interest*

Anthemis Guernsey personnel and/or other related persons will typically, indirectly through the General Partner of AVFIII, receive a carried interest with respect to the AVFIII generally between 20% and 25% of all realized profits subject to a preferred return, as more fully described in the Governing Documents. The carried interest distributed to the partners and such other Adviser personnel or related persons is subject to a potential giveback at the end of life of the Fund in the event that excess cumulative distributions have been received.

It is expected that any future Funds will have a similar fee structure.

### **Item 5.B.**

Anthemis US does not change any fees to the Clients. Anthemis US is compensated by the Primary Adviser.

Management Fees received by Anthemis Guernsey are typically funded with capital contributions drawn for such purpose, but may also be funded with or withheld from proceeds from portfolio investments. Carried Interest distributions generally will be distributed to the respective General Partner entity in accordance with the terms of the applicable Governing Documents.

### **Item 5.C.**

#### *Operating Expenses*

Anthemis, the Primary Adviser and the General Partners bear all of their normal overhead attributable to their activities, such as salaries and employee benefits of their personnel, office expenses and office space and facilities.

The Funds generally bear their own expenses, including legal, accounting, brokerage, custody, administration and other expenses, which expenses are set forth in detail in the Governing Documents.

Generally, the Funds will bear their own organizational expenses, operating expenses, including legal, audit, and administration fees and third-party costs arising from uncompleted transactions. The Funds will bear such expenses (collectively, the "**Organizational and Operating Expenses**"), including, but not limited to, investment expenses (e.g., brokerage commissions, acquisition fees, expenses relating to short sales, costs and expenses relating to hedging, clearing and settlement charges, loan servicing fees, asset management fees, custodial fees, initial and variation margin, interest expense and other amounts, fees and expenses related to leverage and financing, due diligence related fees, costs and expenses and expenses related to proposed investments that were not consummated including any "dead deal" costs), reasonable costs associated with the establishment of the General Partner, professional fees (including, without

limitation, various "out-of-pocket" investment due diligence related costs, fees and expenses, expenses of consultants and experts' fees relating to particular investments and retainer fees for sourcing services), travel and other expenses related to investments, domestic and foreign entity-level taxes, as determined by the General Partner in its sole discretion, legal expenses, fees of the Administrator, custodian fees and/or trustee fees, depositary fees, internal (excluding costs of personnel) and external accounting expenses, regulatory and compliance-related expenses (including, without limitation, in connection with any of the Anthemis' filing or reporting requirements with respect to the Funds and including, without limitation, the Funds' allocable portion of Form ADV- and Form PF-related expenses, related software expenses, and third-party expenses related to compliance with FATCA (as defined below), provided that such compliance-related expenses will not be solely Anthemis-related), loan-monitoring and other portfolio tracking software expenses, audit and tax preparation expenses, any and all costs and expenses incurred by the Funds' representative acting in such capacity, appraisal and valuation fees, premiums for directors and officers, errors and omissions and lender liability insurance and fidelity bond(s), the costs and expenses incurred in connection with indebtedness of the Funds and its subsidiaries, including, without limitation, interest expense and other fees and charges associated therewith, the costs of establishing such other indebtedness, the costs of monitoring compliance therewith (including, without limitation, the costs of purchasing, licensing or developing any computer software used for such purposes), expenses relating to the offer and sale of Interests (including travel, printing and mailing fees the Management Fees, all reasonable out-of-pocket costs and expenses for or on behalf of the Limited Partners Advisory Committee, expenses in connection with the winding-up and liquidation of the Funds and extraordinary expenses (including, without limitation, in respect of litigation, tax audits or similar proceedings).

From time to time, the General Partners may agree to provide co-investment opportunities to certain investors or other persons alongside the relevant Fund's transactions. In the future, the General Partner can select an Adviser other than Anthemis to advise any co-invest vehicles. Where appropriate, and in the Adviser's sole discretion, the Adviser is authorized to charge, on behalf of the Fund, interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

### *Brokerage Fees*

The investment strategies employed with respect to the Clients generally do not involve the purchase or sale of publicly offered securities, and as such, do not typically entail expenses related to brokerage commissions. To the extent applicable, each Client generally is responsible for and pays any of its custodial fees and expenses.

*See Item 12 of this brochure for a more detailed discussion of Anthemis US' brokerage practices.*



#### **Item 5.D.**

As set forth in Item 5.A. above, AVFIII will pay a Management Fee to Anthemis Guernsey quarterly in advance. While withdrawals and redemptions are generally not permitted, if a management agreement terminates during a quarter, the pro-rated portion of Management Fees received but not earned will be returned to the investors.

Anthemis US does not collect fees in advance.

#### **Item 5.E.**

Not applicable. Neither Anthemis nor its supervised persons are not compensated for the sale of securities or other investment products and mutual funds.

*It is important that investors refer to the relevant Governing Documents for a complete understanding of expenses and fees they may pay through an investment in the Clients. The information contained herein in this Item 5 is a summary only and is qualified in its entirety by such documents.*

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

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As described above in Item 5, Anthemis US is not compensated pursuant to an asset-based fee or performance fee agreement from the Clients.

As described under “Fees and Compensation,” the Founding Partners and certain other Anthemis Guernsey personnel or related persons indirectly receive a carried interest allocation on certain realized profits in AVFIII and Anthemis receives a portion of such carried interest. The existence of performance-based compensation has the potential to create an incentive for the Firm and/or the General Partner to make more speculative investments on behalf of AVFIII than it would otherwise make in the absence of such performance-based compensation, although Anthemis generally considers performance-based compensation to better align its interest with those of its investors.

Additionally, to the extent that the Funds have varying carried interest terms and/or the Adviser’s personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. Anthemis seeks to address the potential for conflicts of interest in these matters with allocation policies and/or practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Funds’ investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received ultimately by the partners and certain other Adviser personnel or related persons.

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***Item 7: Types of Clients***

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Anthemis US provides investment advisory services solely to the Primary Adviser through a sub-advisory agreement which identifies the applicable Funds. The Primary Adviser and Anthemis Guernsey in turn provide investment advice solely to their respective Fund clients. The Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt from registration as an “investment company” under the Investment Company Act of 1940, as amended.

Generally, the minimum commitment to a Fund for third-party investors will be \$5,000,000, and interests in a Fund are offered and sold solely to qualified purchasers (or qualified Primary Adviser personnel). The Primary Adviser generally is permitted to wave such minimum commitment in its sole discretion.

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

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**Item 8.A.**

Anthemis Guernsey and the Primary Adviser’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of the Primary Adviser or its affiliates generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Anthemis US seeks to assist the Primary Adviser to achieve high overall returns for investors primarily by long-term investment in a diversified portfolio of companies engaged in the financial services and related technology and infrastructure sectors. The Firm applies an approach focused mainly on early and later stage companies. The Firm is thesis driven and sector focused, investing in technology companies across key subsectors of financial services and companies where finance is embedded into the infrastructure and in their core business model.

Anthemis and the Primary Adviser follow an established investment process that allows it to qualify, evaluate, and invest in target companies deemed fit for investment. The investment process constitutes the following:

1. **Qualified Pipeline:** Weekly deal flow meetings occur to discuss emerging opportunities and prospective investments. Opportunities are thesis driven and identified from proprietary deal flow and are assessed at a high level for investment thesis fit.

2. **Evaluation:** Prospective investments are then discussed and reviewed across various parameters, including but not limited to: founding team quality, market size and opportunity, product, technology and IP, competitive landscape, traction, and capital requirements. To supplement this assessment, a market deep-dive is conducted.
3. **Due Diligence:** At this point, thorough due diligence is conducted on the target companies using financial and operating information, including top-down analysis of historical information and industry comparables, as well as bottom-up analysis of the business' performance and traction.
4. **Transaction:** Once the Investment Committee has approved an investment proposal, the opportunity moves toward term negotiation and deal execution.
5. **Ownership:** The target company is onboarded into the Anthemis ecosystem for support, and its progress is monitored and assessed on a continuous basis.
6. **Exit:** The frameworks for potential exit routes commence.

The Governing Documents for each Fund contains further information on the respective investment strategies, process and risk of loss.

#### **Item 8.B. and Item 8.C.**

Venture capital investing involves a high degree of business and financial risk that can result in substantial losses. In order for the Funds to succeed, they must be able to accurately identify potentially successful enterprises, a process which is difficult even for those with extensive experience in the venture capital field. Portfolio companies may be operating at a loss or with substantial variations in operating results from period to period and may need substantial additional capital to support expansion or to achieve or maintain a competitive position. Investment in the Funds is highly speculative, involves a high degree of risk and could result in the loss of part or all of an investor's capital contribution. Therefore, prospective investors should not subscribe for interests unless they can bear such a loss. Moreover, there can be no assurance that the Funds' investment objectives will be achieved and investment results may vary materially from one reporting period to the next. Consequently, an investment in the Funds is suitable only for sophisticated investors who are capable of making an informed independent decision as to the risks involved in an investment in the Funds. A prospective Fund investor will need to consider whether a proposed investment vehicle is appropriate to the investor's circumstances based on all relevant factors including, but not limited to, the investor's investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant Fund offering materials.

Potential risk factors to consider prior to making an investment in the Funds include but are not limited to the factors discussed below.

*Business Risk Factors.* The Funds' investment criteria will include investment in companies in high growth sectors. Such sectors can, by nature, experience rapid change and are therefore subject to considerable volatility, which may adversely affect the Funds' ability to achieve its investment criteria. The Funds' investment criteria are focused on investments in unquoted securities of insurance technology companies. Such investments may be difficult to realize and may take

several years to mature and while the long-term performance of the Fund may be satisfactory, performance in the early years may be poor. In addition, such companies can be expected to have less mature businesses, a more restricted depth of management and a higher risk profile. Accordingly, prospective investors should have the financial ability and willingness to accept the risks and lack of liquidity associated with an investment in the Funds. The securities in which the Funds will invest are usually among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss.

*Risk of Limited Current Return.* Given the long-term nature of the envisioned investments, the return of capital invested therein and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment as to which there can be no certainty. 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 was made. Prior to such time, there often will be no current return on the investments, and the Firm may in certain circumstances cause the capital element of any such returns to be reinvested and is not obliged to manage investments to maximize current returns.

*Limited Number and/or Diversification of Investments.* The Funds will participate in a limited number of investments and, as a consequence, the Funds' investment portfolios could become relatively concentrated and the aggregate return of the Funds may be significantly affected by the performance of a single investment or of a few holdings or of a particular industry. Furthermore, to the extent that the commitments raised are less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

*Poor Performance of Portfolio Companies.* There is no guarantee that the performance of portfolio companies will be satisfactory. The success of Anthem's investment strategy for the Funds will depend, in part, on whether sustainable improvements in portfolio companies' operating and financial performance are possible. Identifying and implementing such improvements entails a high degree of uncertainty and certain factors may impede or prevent the implementation of necessary restructuring steps for portfolio companies. There can be no assurance such improvements will be successfully identified and implemented.

*Third Party Involvement.* The Funds may co-invest with third parties. Such investments may involve risks in connection with such third-party involvement, including the possibility that a co-investor may have financial difficulties that may adversely affect such investment. Further, a co-investor may have economic or business interests that are inconsistent with those of the Funds, or may be in a position to take action in a manner contrary to the Funds' investment objectives. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. The products and services developed by portfolio companies involve numerous stages. Unforeseen events may cause business targets not to be met and further investment may be required. No assurances can be given as to the availability of such financing or, if available on acceptable terms. In addition, there can be no assurance that any investments will

be recouped, which could have a significant impact on the financial performance of a portfolio company. Portfolio companies may operate in a highly competitive market which will impact the future development and financial performance of any portfolio company.

*Investments Longer than Fund Life.* The Funds may make investments which may not be advantageously realized prior to the date on which the Funds will be dissolved, either by expiration of the Funds' term or otherwise. Although the Firm expects that investments will be disposed of prior to dissolution or be suitable for distribution in specie at dissolution and the Firm has a limited ability to extend the term of the Funds, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time or price as a result of such dissolution. In addition, there can be no assurances with respect to the timeframe in which the winding up and the final distribution of proceeds to investors will occur.

*Contingent Liabilities Upon Realization of Investments.* In connection with the realization of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Funds may also be required to indemnify the purchasers of such company to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which reserves or escrow accounts may be established, including indemnity obligations. If as a result of the foregoing, the Funds incur liabilities that it is unable to meet out of its assets, investors may be required to return distributions previously made to them to the extent provided in the partnership agreements.

*Non-Controlling Interests in Portfolio Companies.* The Funds will generally hold non-controlling interests in portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies, although as a condition of investment in a portfolio company, it is expected that appropriate shareholder rights generally will be sought to protect the Funds' interests. In addition, during the process of exiting investments, the Funds at times may hold minority equity stakes of any size such as might occur if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

*Projections.* Projected operating results of a company in which the Funds invest normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Expedited Transactions.* Investment analyses and decisions may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the

information available to the Firm at the time of investment may be limited and the Funds may acquire stakes in portfolio assets without extensive discussions with the management of such businesses. The Firm or the Funds may not have perfect knowledge of relevant circumstances that could adversely affect an investment, which may expose investors to an increased risk of loss.

*Dynamic Investment Strategy.* While the Firm generally intends to seek attractive returns for the Funds primarily through making private investments as described herein, the Firm may pursue additional investment strategies and may modify or depart from its historic investment strategies, investment processes and investment techniques as it determines appropriate.

*Need for Follow-On Investments.* Following its initial investment in a given asset, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Fund will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for the Funds to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

*Bridge Financing.* The Funds may finance investments by borrowing under a bridge facility and will refinance those borrowings by drawing down commitments from investors. If an investor fails to pay the amount requested when due, the Funds may be obliged to repay part or all of any such borrowings itself. To recover any amounts so repaid, the Funds may need to commence proceedings against any investor which failed to pay the amount requested from it. The lenders under any bridge facility will be creditors of the Funds and will rank ahead of the investors on an insolvency of the Funds.

*Cybersecurity.* The Funds and their service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other things, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information and various other forms of cybersecurity breaches. Cyberattacks affecting the Funds and their service providers may adversely impact the Funds. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to calculate the Funds' net asset value, cause the release of private investor information or other confidential information, impede trading, subject the Funds and its service providers to regulatory fines and/or financial losses and cause reputational damage. Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for the Funds, and may cause the Funds' investments to lose value. The Funds and their service providers may incur additional costs relating to cybersecurity preparations, and there can be no guaranty that such preparations, though taken in good faith and reasonably designed to safeguard the Funds', the General Partners', the Firm's and others' informational systems, would be successful at preventing such attacks. Cyberattacks are viewed as an emerging

risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

## **Risks Related to Interests in the Funds**

*General.* An investment in the Funds will be subject to various risks, including adverse changes in regional, national or international economic or political conditions, adverse local market conditions, changes in availability of debt financing, changes in interest rates, local tax rates, environmental laws and regulations and other government rules and fiscal policies, environmental and health and safety claims, energy prices and availability of resources, as well as acts of God, acts of war or terrorism, uninsurable losses and other factors which are beyond the control of the Firm.

*Restricted Nature of Investment Positions.* There is generally no public market for the interests in the Funds nor is one expected to develop and accordingly it may be difficult for investors to value, sell or realize their interests before the end of the life of the Funds. Prospective investors should be aware that the timing of any cash distributions to investors may be uncertain and unpredictable and that the value of their interests may fall as well as rise. Although the Funds intend to make distributions in cash, it is possible that under certain circumstances (including upon liquidation of the Funds), Fund investments may be distributed in specie to investors in lieu of cash resulting in each such investor holding a minority interest in the securities of one or more unquoted companies for which there is no readily available public market. However, except in connection with withdrawals by investors or upon dissolution of the Funds, only marketable securities will be distributed in specie.

*Lack of Sufficient Investment Opportunities.* It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring venture capital transactions is highly competitive and involves a high degree of uncertainty. There can be no assurance that the General Partners and/or the Firm will be able to locate and complete investments which satisfy the Funds' investment criteria and meet the rate of return objectives or that it will be able to invest fully the aggregate commitments. It is possible that competition for appropriate investment opportunities may increase, which may reduce the number of opportunities available to the Funds and/or adversely affect the terms upon which such investment can be made. The Funds may incur significant expenses in connection with investigating prospective investments which are ultimately not consummated, including expenses relating to due diligence, travel, legal expenses and the fees of third-party advisers.

*Expenses of the Funds.* It is possible that the expenses of the Funds, together with advances on account of the General Partners' profit share, may exceed its income, which may result in a reduction of the assets of the Funds to the extent of that excess.

*Lack of Operating Control of Portfolio Companies.* Each portfolio company's day-to-day operations will be the responsibility of that company's management team. Although the General

Partners and/or the Firm will be responsible for monitoring the performance of each investment and intend to invest in companies operated by strong management, it will primarily be the responsibility of each portfolio company's management team to manage and operate each asset on a day-to-day basis and there can be no assurance that the existing management team, or any successor, will be able or willing to operate the portfolio company in accordance with their business plans, the expectations or objectives of the Funds, and the death, disability or resignation of or disagreements with members of those management teams could adversely affect the business of such portfolio company and the Funds' investments therein. In addition, loss or reduction of service of one or more of the members of the Investment Team could have an adverse effect on the Funds' ability to realize its investment objectives. In addition, certain changes in the Firm or circumstances relating to the Firm may have an adverse effect on the Funds or one or more of its portfolio companies including potential acceleration of debt facilities.

*Risks Relating to Target IRRs.* Unless directives otherwise indicated, all references to rates of return are to gross aggregate, compound, annual internal rates of return. No representation is made and there is no guarantee or assurance that the Funds will achieve these target rates of return or that any assumptions on which the calculation of these rates of return was based were true and accurate. Prospective investors are encouraged to conduct their own due diligence and contact representatives of the Firm for further information as required. In addition, investors should note that the gross performance figures do not take account of Funds management fees, expenses, carried interests or taxes the impact of which would be material.

*Significant Adverse Consequence for Default.* The partnership agreements provide for significant adverse consequences in the event an investor defaults on its commitment or any other payment obligation. If an investor fails to pay when due instalments of its commitment to the Funds, and the contributions made by non-defaulting investors to the Funds are inadequate to cover the defaulted contribution, the Funds may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially adversely affect the returns to investors (including non-defaulting investors). If an investor defaults, it may be subject to various remedies as provided in the relevant partnership agreements, including a forfeiture of its Interests. In addition to losing its right to potential distributions from the Funds, a defaulting investor may be forced to transfer its interests for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

*Currency Risk.* Commitments to the Funds are in U.S. Dollars but the commitments may be invested in companies incorporated under the laws of various jurisdictions, and the income and gains received by the Funds may be denominated in several different currencies. Changes in currency exchange rates may affect the value of the Funds' portfolio investments (including the value of dividends and interest earned) and any collateral.

*Foreign Exchange Risk.* The Funds are exposed to foreign exchange risk, which may have an adverse impact on the value of the Funds' assets. The base currency of the Funds is the U.S. Dollar.



Certain of the Funds' assets may be invested in investments which are denominated in other currencies. Accordingly, the Funds will necessarily be subject to foreign exchange risks and the value of its assets may be affected unfavorably by fluctuations in currency rates. Although financial instruments may be used to hedge against declines in the value of such assets as a result of changes in currency exchange rates, there is no obligation to do so and any hedge contract may be terminated at any time. Additionally, it may not be possible to hedge against a particular change or event at an acceptable price or at all. Moreover, there can be no assurance that any attempt to hedge against a particular change or event would be successful, and any such hedging failure could materially and adversely affect the performance of the Funds.

*Political and Economic Risk.* A very limited number of the Funds' investments may be in emerging markets and the value of these investments may be adversely affected by political, economic or social factors such as changes in law or regulations, the status of relations with other countries, restrictions on foreign investment and on foreign currency convertibility, developments in the legal, regulatory and political climate which may occur without advance notice or retrospective, and other uncertainties in the form of unforeseen domestic or foreign political developments, civil disorder or constitutional crises, each of which may be more likely to occur in emerging markets than in developed markets. Abrupt changes of policy with regard to taxation, the government's fiscal and monetary policies, currency repatriation and other economic regulations may also be more likely to occur in emerging markets than in more developed markets, including the risk of expropriation, nationalization, or confiscation of assets or changes in legislation regarding the permissible share of foreign ownership of companies or assets.

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***Item 9: Disciplinary Information***

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Anthemis and its supervised persons have no reportable disciplinary events to disclose.

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

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**Item 10.A.**

Not applicable. Anthemis is not registered, and does not have an application pending to register, as a broker-dealer.

**Item 10.B.**

Not applicable. Anthemis and its management persons are not registered, and have not applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or associated persons of a futures commission merchant.

#### **Item 10.C.**

Anthemis US and Anthemis Guernsey are affiliated with the Primary Adviser, as well as other entities within the Primary Adviser's corporate structure which are deemed to be investment advisers registered with the SEC under the Advisers Act pursuant to the Primary Adviser's registration in accordance with SEC guidance. These entities operate as a single advisory business together with the Primary Adviser and, collectively, serve as managers and/or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

The Primary Adviser, maintains a separate registration as an investment adviser with the SEC. The Primary Adviser is a UK limited liability partnership, which is the sole owner of Anthemis US. The Primary Adviser has entered into a sub-advisory agreement with Anthemis US, pursuant to which Anthemis US will provide investment advisory services to the Primary Adviser in respect of U.S. and Canadian investment opportunities suitable for the Funds. Additionally, Anthemis Guernsey has entered into a sub-advisory relationship with the Primary Adviser pertaining to AVFIII.

#### **Item 10.D.**

Not applicable. Anthemis and its supervised persons do not recommend or receive compensation for selection of other investment advisers for its Clients.

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

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#### **Item 11.A.**

In order to address conflicts of interest that may exist between the Firm and its Clients, Anthemis has adopted a Code of Ethics (the "**Code**"), which is applicable to all of Anthemis US' officers, directors, managers, members, and employees (collectively, "**Employees**"). The Code generally sets the standard of ethical and professional business conduct that Anthemis US requires of Employees, sets forth the fiduciary obligations that Anthemis and each Employee owes to each Client, and requires Employees to comply with applicable federal securities laws and regulations. Additionally, the Code sets forth the Firm's policies and procedures with respect to personal trading, material non-public information and other confidential information, political contributions, gifts and entertainment, electronic communications and other matters related to potential conflicts of interest. The Code is circulated at least annually to all Employees, and each Employee at least annually must certify in writing that he or she has received and read the Code and any amendments thereto.

A copy of Anthemis' Code of Ethics is available to investors and prospective investors upon request. Contact information is provided on the cover of this Brochure.

**Item 11.B through Item 11.D.**

Certain conflicts that may be encountered in the course of Anthemis' activities for or on behalf of the Clients are described in Items 5, 6, 8 and 10 above and reference is made thereto. In addition, the Governing Documents of the Clients address in detail certain other reasonably anticipated potential conflicts.

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***Item 12: Brokerage Practices***

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Anthemis does not select or recommend broker-dealers, nor does the Adviser execute transactions for Clients through broker-dealers.

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

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**Item 13.A. and 13.B.**

The portfolio investments of the Clients are continuously reviewed by a team of investment professionals, consisting of Anthemis' principals and other investment professionals of the Primary Adviser. Anthemis actively monitors the portfolio companies of the Clients and generally assists in ongoing oversight position in such portfolio companies.

**Item 13.C.**

Investors in the Funds will typically receive, among other things, an annual report, which for the Funds typically includes a copy of audited financial statements of the relevant Fund annually. In addition, investors in each Fund will typically receive written reports containing unaudited summary financial information regarding such Fund on a quarterly basis and tax information on an annual basis.

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

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**Item 14.A.**

Anthemis does not receive any economic benefit including sales awards, or prizes from any third party for providing advisory services to the Clients.

**Item 14.B.**

Not applicable. Neither Anthemis nor its related persons, directly or indirectly, compensate any person who is not a supervised person of Anthemis for client referrals.

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***Item 15: Custody***

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Anthemis US generally does not maintain custody over the assets of any Clients. To the extent Anthemis US may be deemed to have custody of the assets of the Clients under Rule 206(4)-2 under the Advisers Act (“**Custody Rule**”), Anthemis US will comply with the safekeeping requirement of the Custody Rule.

While it is Anthemis Guernsey’s practice not to accept or maintain physical possession of any client assets, Anthemis Guernsey may be deemed to have custody of certain fund assets under current applicable regulatory interpretations for purposes of Rule 206(4)-2 of the Advisers Act.

In accordance with the Custody Rule, the Funds will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and audited financial statements of each fund will be prepared in accordance with generally accepted accounting principles and distributed to investors within 120 days of the end of each fund’s fiscal year. Investors should carefully review the audited financial statements upon receipt, and should compare these statements to any account information provided by Anthemis.

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***Item 16: Investment Discretion***

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Anthemis US provides investment advice on a non-discretionary basis to the Primary Adviser.

Anthemis Guernsey has discretionary authority to manage securities accounts on behalf of AVFIII. As explained in Item 4.B above, AVFIII’s investment strategy is set forth in detail in AVFIII’s Governing Documents. Investors do not have the ability to impose limitations on this discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in the applicable Client.

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***Item 17: Voting Client Securities***

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Anthemis US does not have the ability to vote proxies on behalf of any Client.

To the extent that Anthemis Guernsey has discretion to vote the proxies on behalf of AVFIII, Anthemis Guernsey will vote any such proxies in the best interests of the Clients and in accordance with its proxy voting policies contained in the Compliance Manual. Generally, AVFIII will not directly hold publicly-traded securities that solicit proxy votes. Under certain circumstances, Anthemis may abstain from voting specific proxies if it believes that doing so is in the best interests of AVFIII.

In the event of a material conflict of interest, Anthemis Guernsey will follow the written policies and procedures detailed in the Compliance Manual. Although not intended to be used on a regular basis, Anthemis may retain an independent third party to vote proxies in certain situations (including situations where a material conflict of interest is identified).

Investors generally do not have the ability to direct proxy votes. Clients may obtain additional information regarding how Anthemis voted proxies and may obtain a copy of Anthemis' proxy voting policies and procedures by contacting the Chief Compliance Officer. Contact information is provided on the cover of this Brochure.

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***Item 18: Financial Information***

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**Item 18.A.**

Not applicable. Anthemis does not require nor solicit pre-payment of more than \$1,200 in fees per client, six months or more in advance.

**Item 18.B.**

Anthemis is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

**Item 18.C.**

Not applicable. Anthemis has not been the subject of a bankruptcy petition at any time during the past ten years.