

## Outlander Management, LLC

185 Winston Lane  
Inlet Beach, Florida  
<https://outlander.vc/>

**March 28, 2024**

This brochure (this “Brochure”) provides information about the qualifications and business practices of Outlander Management, LLC. If you have any questions about the contents of this Brochure, please contact Blaine Davis by e-mail at [blaine@outlander.vc](mailto:blaine@outlander.vc). 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 Outlander Management, LLC or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

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

**Item 2. Material Changes**

Outlander Management, LLC filed its initial Brochure on May 2, 2023. Since this filing, there are no material changes to report. However, investors are encouraged to read this Brochure in its entirety.

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**Item 4. Advisory Business**

Outlander Management, LLC (the “Firm”) is a Delaware limited liability company that was formed in June 2020. The Firm is principally owned and controlled by Paige Craig, the Managing Partner, and Leura Craig, the Chief Operating Officer and Chief Compliance Officer (the “Principals”).

The Firm provide discretionary investment advice to private funds (collectively, the “Funds”). The Firm may also provide investment advice to additional private funds and separately managed accounts for institutional, non-retail investors (“SMAs”) in the future. References throughout this document to “clients” refer to the Funds and any other private funds and SMAs that the Firm may advise in the future.

Client accounts will be managed in accordance with their own investment and trading objectives, as described in their respective offering documents, and governing agreements (collectively, the “Governing Documents”). The Firm does not expect that it will permit investors in the Funds to impose limitations on the investment activities described in the Funds’ Governing Documents. Under certain circumstances, the Firm may contract with a client to adhere to limited risk and/or operating guidelines imposed by that client. The Firm would negotiate such arrangements on a case-by-case basis. (*See Item 16 - Investment Discretion.*)

One of the Firm’s related persons will serve as the general partner or managing member to certain Funds.

The Firm does not participate in wrap fee programs.

As of December 31, 2023, the Firm managed approximately \$161,261,375 of regulatory assets under management on a discretionary basis. The Firm does not manage any assets on a non-discretionary basis.

**Item 5. Fees and Compensation**

The Firm or its affiliates are generally eligible to receive management fees, carried interest, and other additional compensation from portfolio companies in connection with the Firm’s advisory services, as described in the Funds’ Governing Documents.

*Management Fees*

The Firm is paid management fees (the “Management Fee”) from certain of the Funds on a quarterly basis as described in the Governing Documents. The Management Fee is based on a percentage of committed capital that generally ranges from 2.5%-3% per annum. For certain Funds, the Management Fee is reduced upon specific events during the Funds’ life, as described in more detail in such Funds’ Governing Documents. The Management Fee will also be pro-rated for any partial periods. The Firm can waive or modify the management fee payable with respect to certain investors.

In addition, directors’, consulting, management service, advisory, consultant, transaction, commitment, breakup or broken deal fees or similar fees by the general partner, the Firm or any of the Firm’s Managing Directors from a portfolio company (net of any unreimbursed expenses, and as adjusted for any similar reductions with respect to any other investment fund managed by the general partner or its affiliates to prevent double-counting) will offset the Management Fee.

All investors are encouraged to review the specific Management Fee arrangements detailed in the Governing Documents for the Fund in which they subscribe.

*Carried Interest*

An affiliate of the Firm is entitled to receive carried interest from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

*Expenses*

Each Fund will generally bear the out-of-pocket expenses incident to the organization of the Fund. In addition, the Funds will generally bear all ongoing costs and expenses incurred in connection with the purchase, holding, sale or proposed sale of any Fund investment (whether or not any such purchase or sale is consummated), including, but not by way of limitation, private placement fees and finder's fees, interest on and fees and expenses arising out of all permitted borrowing made by the Fund, real property or personal property taxes on investments, including documentary, recording, stamp and transfer taxes, brokerage fees or commissions, legal fees, investment related travel expenses, expenses incurred in performing due diligence with respect to a purchase, sale or exchange of securities (whether or not ultimately consummated), expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the Fund, including claims by or against a governmental authority, audit and accounting fees, consulting fees, banking fees relating to investments or proposed investments, taxes applicable to the Fund on account of its operations, expenses associated with the preparation and filing of tax returns, any sales or other taxes, fees or government charges which may be assessed against the Fund, fees incurred in connection with the maintenance of bank or custodian accounts, and all expenses incurred in connection with the registration of the Fund's securities under applicable securities laws or regulations. The Fund shall also bear expenses incurred by the general partner in serving as the partnership representative, the Management Fee, the cost of liability and other premiums for insurance protecting the Fund, the general partner, its managers, and the Firm and its managers and employees from liability to third parties that relates to the Fund and its activities and investments, all out-of-pocket expenses of preparing and distributing reports to investors, fees and expenses relating to outsourced finance, accounting and administrative services, fees and expenses relating to specialized consulting, advisory or professional services, fees and expenses relating to regulatory compliance of the Fund, general partner and/or Firm, meeting expenses, expenses associated with Fund communications with investors, including preparation and distribution of financial statements and annual or other reports to the limited partners, out-of-pocket costs associated with Fund meetings or limited partner representative matters, expenses of the limited partner representative (including travel-related costs and expenses), all legal, custodial, audit, appraisal and accounting fees relating to the Fund and its activities, all expenses relating to litigation and threatened litigation involving the Fund, including indemnification expenses, premiums for insurance to protect the Fund, the general partner, the members of the general partner, the Firm, the members of the Firm, the limited partner representative and any of their respective partners, members, stockholders, managers, managing directors, officers, directors, trustees, employees, consultants, agents or affiliates in connection with the activities of the Fund, and all other extraordinary expenses chargeable to the activities of the Fund.

The Funds will incur costs and expenses associated with potential investments that are not consummated, including, without limitation, certain out-of-pocket fees, costs, expenses, liabilities and obligations incurred by the Fund and any parallel funds, the general partner, the Firm or any of their affiliates on behalf of the Fund and any such parallel funds. If any such deals were consummated, the Fund and the parallel funds may have invested alongside third-parties, including, without limitation, any actual or potential co-investment partnerships or entities sponsored, advised or managed by the general partner, the Firm or their respective affiliates. For the avoidance of doubt, any costs incurred by the Fund and any

parallel funds in connection with unconsummated investments will be borne solely by the Fund and such parallel funds in proportion to their relative commitments, and will not be shared by any such third parties, including, without limitation, any actual or potential co-investment partnerships or entities sponsored by the general partner or its affiliates (for the avoidance of doubt, regardless of whether such co-investment partnerships or entities exist or have been identified). Limited partners should note that investors in such co-investment partnerships or entities may be comprised entirely (or almost entirely) of affiliates of the general partner and the Firm, and the fact that such co-investment partnerships or entities will not bear any broken-deal expenses may pose a conflict of interest to the Fund and/or the limited partners.

All investors are encouraged to review the specific expense arrangements detailed in the Governing Documents for the Fund in which they subscribe.

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

The Firm expects that one of its affiliates will receive carried interest from the Funds. Carried interest is a performance-based form of compensation in which an affiliate is entitled to receive a specific share of the profits earned by a Fund after its investors have realized a preferred rate of return on their investments in the Fund. The Firm or its affiliates will have the right to waive or modify the carried interest with respect to any investor.

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

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

Investors in the Funds are generally expected to be high net worth individuals, pension plans, endowments, corporations, and other institutional investors that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and qualified purchasers. The minimum initial investment in the Funds will be determined by the Firm and set forth in the Funds’ Governing Documents. The Firm may waive such minimum under certain circumstances.

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

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

The Firm seeks to make venture capital investments in primarily early-stage software and hardware related businesses. Through the Firm’s founder-focused strategy, the Firm seeks to identify and invest in companies at the earliest stages, led by visionary but often overlooked founders, and headquartered in any core or non-core US markets.

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

*Risk Factors*

Prospective investors should be aware that an investment in a Fund involves a high degree of risk and, therefore, should be undertaken only by investors capable of evaluating the risks of a Fund and bearing the risks it represents. There can be no assurance that a Fund's investment objectives will be achieved, or that an investor will receive a return of its capital, and therefore, an investor should only invest in a Fund if such investor is able to withstand a total loss of its investment. The following considerations, among others, should be carefully evaluated before making an investment in a Fund. The following risks do not purport to be a complete explanation of all of the risks involved in acquiring an Interest. Potential investors are urged to read the Fund's Governing Documents before making a determination whether to invest in a Fund. Prospective investors should also consult their own financial, tax and legal advisors regarding the suitability of an investment in a Fund prior to subscribing for an investment in a Fund.

**Risks Inherent in Venture Capital Investments.** The types of investments that a Fund anticipates making involve a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Fund will be adequately compensated for risks taken. A loss of an investor's entire investment is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Fund's term, while successes often require a long maturation.

Early-stage and development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. Such companies may face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. In addition, such companies may require substantial amounts of financing that may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

**Investments in Unseasoned Companies.** The Funds intend to invest a portion of its assets in privately held companies with limited histories of profit and stability. These companies may require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although the Fund may be represented by at least one representative of the general partner on a portfolio company's board of directors, each portfolio company will be managed on a day-to-day basis by its own management team (who generally will not be affiliated with the Fund or the general partner). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

**Investment in Companies Dependent Upon New Technologies.** The Funds plan to focus its investments in companies that may rely on new technologies. The value of the Fund's interests may be susceptible to factors affecting such companies and to a greater risk than an investment in an investment fund that invests in a broader range of securities. The specific risks faced by such companies include:

- rapidly changing technologies;
- new competing products and improvements in existing products that may quickly render existing products or technologies obsolete;
- scarcity of management, technical, research and marketing personnel with appropriate training;
- the possibility of lawsuits related to intellectual property rights; and
- rapidly changing investor sentiments and preferences with regard to technology sector investments (which are generally perceived as risky).

**No Assurance of Returns.** There can be no assurance that the limited partners will receive distributions from the Fund in an amount equal to their investment in the Fund. The timing of profit realization, if any, is highly uncertain.

**Lack of Operating History.** The Fund and the general partner are newly formed entities, and, accordingly have no operating history or investments upon which investors can evaluate the potential performance of the Fund. The Fund's investment program should be evaluated on the basis that there can be no assurance that the general partner's assessment of the prospects of investments will prove accurate or that the Fund will achieve its investment objective. The prior performance of any prior funds advised or managed by the Firm or an affiliate thereof is not necessarily indicative of the Fund's future results. There can be no assurance that investments by the Fund will achieve returns comparable to the historical performance of any prior funds advised or managed by the Firm or an affiliate thereof, and in any event, the returns achieved by the Fund will be subject to the management fee and the general partner's carried interest. Any given investment made by the Fund may prove to be worthless, and there is a risk that investors could lose money.

**Reliance on the General Partner.** The general partner (or managing member) will have sole discretion over the investment of the funds committed to the Fund as well as the ultimate realization of any profits. The limited partners will not receive the detailed financial information issued by portfolio companies that will be available to the Fund. Accordingly, the limited partners will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the general partner in its selection of investments. As such, the pool of funds in the Fund represents a blind pool of funds. Investors in the Fund will be relying on the general partner (or managing member) to identify, structure and implement investments consistent with the Fund's investment objectives and policies and to conduct the business of the Fund and the Fund Governing Documents. The limited partners will not make decisions with respect to the management, disposition or other realization of any investment made by the Fund, or other decisions regarding the Fund's business and affairs.

**Reliance on the Managing Directors.** The loss of one or more of the Managing Directors could have a significant adverse impact on the business of the Fund and its financial performance. No assurances can be given that each of the Managing Directors will continue to be affiliated with the Fund throughout its term. Notwithstanding any prior experience that the Managing Directors may have in making investments of the type expected to be made by the Fund, any such experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that the Managing Directors will be able to duplicate prior levels of success.

**Reliance on Portfolio Company Management.** Although the general partner may seek representation on the board of directors of the Fund's portfolio companies on behalf of the Fund, the general partner and the Fund will not have an active role in the day-to-day management of the portfolio companies in which the Fund invests. To the extent that the senior management of a portfolio company performs poorly, or if a key manager terminates employment, the Fund's investment in such company could be adversely affected.

**Retention and Motivation of Key Employees.** The success of the Fund is dependent upon the talents and efforts of highly skilled individuals employed by the Firm and the Firm's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that the Firm's investment professionals will continue to be associated with the Firm throughout the life of the Fund, and the failure to attract or retain such investment professionals could have a material adverse effect on the Fund and the limited partners' investments therein. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of the Firm's investment professionals could be replaced.

**Ultimate Fund Size.** The number of investments and potential profitability of the Fund could be affected by the amount of funds at its disposal, and, if the Fund obtains less than the target amount of capital for investment, the Fund's investment return might be affected to a greater degree by errors in investment decisions than the investment returns of other entities with greater capitalization.

**Focused Investment Strategy.** The Fund will be focused on making venture capital investments in equity or equity-oriented Securities of primarily early-stage software and hardware related businesses. Accordingly, the Fund may not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently riskier and could cause the Fund's investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus.

**Digital Assets.** Cryptocurrencies, decentralized application tokens, protocol tokens and other similar digital assets, the ownership and transmission of which is recorded or verified by a distributed ledger, blockchain-based assets and other cryptofinance and digital assets, or instruments for the purchase of such cryptocurrencies, tokens or assets (each, a "Digital Asset" and, collectively, "Digital Assets") represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, Digital Assets have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of the demand for Digital Assets is generated by speculators and investors seeking to profit from the short or long-term holding of Digital Assets. Many Digital Assets will derive their speculative value from the perceived usefulness of the blockchain networks they are attached to as many are designed to be consumed in transactions that record data or provide access to certain functionality on these networks. The relative lack of acceptance of Digital Assets beyond their own blockchain network in the retail and commercial marketplace limits the ability of end-users to pay for other goods and services with Digital Assets. A lack of expansion by Digital Assets or use of their underlying blockchain networks into retail and commercial markets, or a contraction of such use, may result in increased volatility. Several factors may affect the price of Digital Assets, including, without limitation, supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of Digital Assets or the use of Digital Assets as a form of payment. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of Digital Asset payments by mainstream retail merchants and commercial businesses will grow.

A Digital Asset is often an asset that is attached to a blockchain network secured by cryptographic authentication. A blockchain network is a peer-to-peer network of computers that store and verify copies of a transactional database. This database, which is the blockchain at the heart of the system, is used to record the ownership and value of Digital Asset transactions and the conditions upon which this Digital Asset can be further transacted by others. Digital Asset transactions can be authorized by any user that cryptographically proves to the network that they have met the required conditions detailed in the transactional database. Once authorized and broadcast to peers in the network, these transactions are then recorded to the blockchain via the rules of the network's validation process as dictated by the code run by network peers, the blockchain's protocol. Thus, such Digital Assets are created, issued, transmitted and stored according to protocols run by computers in a blockchain network. Some blockchain networks are further interdependent on other blockchain networks whose attached Digital Asset may have limited to no interoperability but where changes to the protocol may adversely affect some or all interdependent blockchain networks.

It is possible these protocols have undiscovered flaws that could result in the loss of some or all of the Digital Assets held by the Fund. There may also be network scale attacks against these protocols that result in the loss of some or all of the Digital Assets held by the Fund. Some assets held by the Fund may be created, issued or transmitted using experimental cryptography that could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols that support the assets held by the Fund. The developers and/or stakeholders of a blockchain network or open source software project may alter the network protocol in a manner adverse to Digital Asset holders or the Fund. The Fund makes no guarantees about the reliability of the cryptography used to create, issue or transmit assets held by the Fund.

It may be illegal, now or in the future, to own, hold, sell or use Digital Assets in one or more countries, including the United States. Although currently some uses of Digital Assets, and the operation of the underlying blockchain networks, may not be regulated or may be lightly regulated in most countries, including the United States, one or more countries may take further regulatory action in the future to severely restrict the right to acquire, own, hold, sell or use Digital Assets or to exchange Digital Assets for fiat currency. Such an action may restrict the Fund's ability to hold or trade Digital Assets and may adversely affect an investment in the Fund.

**The Loss or Destruction of a Private Key Required to Access Digital Assets may be Irreversible.** The Fund's loss of access to private keys—or any other data loss concerning Digital Assets—could have a material adverse effect on its business. Digital Assets include, without limitation, bitcoins and other cryptocurrencies, ether and other cryptographic tokens. Digital Assets are controllable only by those who know the unique private cryptographic key relating to the network address at which the applicable Digital Assets are held. The Fund is required by the operation of many blockchain networks to publish the addresses concerning Digital Assets in use by the Fund. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Fund may not be able to access the Digital Asset associated with the corresponding address and the private key will not be capable of being restored by the network. Any loss of private keys relating to digital wallets used to store Digital Assets could have a material adverse effect on the Fund.

**No Assurance of the General Partner's Success in Locating or Investing in Portfolio Companies.** There can be no assurance the general partner (or managing member) will be able to locate suitable investments for the Fund. Although the general partner will attempt to make investments on behalf of the Fund that meet the criteria set forth in the Governing Documents, there is no assurance that such investments can

be located. Market and other conditions may require the Fund to make investments that offer a lower rate of return or involve a higher degree of risk.

**Difficulty in Valuing Portfolio Investments.** Generally, there will be no readily available market for a substantial number of the Fund's investments and, as a result, most of the Fund's investments will be difficult to value. Despite the general partner's efforts to acquire sufficient information to monitor certain of the Fund's investments and make well-informed valuation and pricing determinations, the general partner may only be able to obtain limited information at certain times. It is possible that the general partner may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the Fund's investments. The general partner may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective limited partners should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the general partner may not represent the fair market value of the securities acquired by the Fund.

**Competitive Marketplace.** The marketplace for venture capital investing has become increasingly competitive. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. Some of the Fund's potential competitors may have more relevant experience, greater financial resources and more personnel than the general partner. There can be no assurances that the general partner will locate an adequate number of attractive investment opportunities. To the extent that the Fund encounters competition for investments, returns to the limited partners may vary.

**Assumption of Business, Terrorism and Catastrophe Risks.** The Fund may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, pandemics and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Fund and the limited partners' investments therein.

**Changing Economic Conditions.** The success of the general partner's investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. The availability, unavailability or hindered operation of external credit markets, equity markets and other economic systems that the Fund may depend upon to achieve its objectives may have a significant negative impact on the Fund's operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for the Fund to operate successfully. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

**Uncertain Economic, Social and Political Environment.** Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, the COVID-19 outbreak or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Further, the outcome of future United States presidential and other local, national and foreign elections may create uncertainty with respect to legal, tax and regulatory regimes in which the Fund, the general partner, the Firm and their affiliates, as well as the portfolio companies, may operate. A climate of uncertainty may reduce the availability of potential investment opportunities, and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Any

significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on the Fund and its investments in portfolio companies.

**Pandemic Risk.** The outbreak of the novel coronavirus, COVID-19, has substantially impacted global commercial activity and contributed to significant volatility in financial markets. The coronavirus pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the Fund and the portfolio companies, their performance, and their financial results.

**Hedging.** The Fund may, but is not required to, engage in currency hedging transactions. There can be no assurance, however, that the Fund will engage in such hedging transaction at any given time or from time to time, or that such hedging transactions will be available or be available at a reasonable cost, or that such hedging transactions will be effective and actually eliminate the applicable currency risk. Such hedging transactions may even exacerbate any negative impact on the Fund resulting from changes in currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions.

**Projections.** The Fund may rely upon projections, forecasts or estimates developed by the Fund or a company in which the Fund is invested concerning the company's future performance and cash flow. Projections, forecasts and estimates are forward-looking statements and are based upon certain assumptions. Actual events are difficult to predict and beyond the Fund's control, and may differ from those assumed. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates and domestic and foreign business, market, financial or legal conditions, among others. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results will not be materially lower than those estimated therein.

**Control Person Liability.** The Fund may have significant or controlling interests in a number of its investments in portfolio companies. The exercise of control over a portfolio company may impose additional risks of liability for, among other things, environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the Fund might suffer a significant loss. To the extent the valuation of a portfolio company with respect to which the Fund is deemed to have a controlling interest decreases, the Fund may be exposed to lawsuits by discontented minority shareholders. Even if such lawsuits prove to be without merit, the Fund may be required to expend significant resources defending itself and its affiliates.

**Effecting Operating Improvements.** In some cases, the Fund's investment strategy will depend, in part, on the ability of the Fund to restructure and effect improvements in the operations of a portfolio

company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Fund will be able to successfully identify and implement such restructuring programs and improvements.

**Minority Investments.** A significant portion of the Fund's investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, the Fund is likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. The Fund may also invest in companies for which the Fund has no right to appoint a director or otherwise exert significant influence. In such cases, the Fund will be reliant on the existing management and boards of directors of such companies, which may include representatives of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund. Additionally, the Fund may have limited ability to protect its position in such portfolio companies.

Although it is expected that appropriate rights generally will be sought to protect the Fund's interests, to the extent possible, there can be no assurance that such minority shareholder rights will be available. The general partner expects to make investments in companies that have incurred or are permitted to incur indebtedness, or that may issue equity securities that rank senior to the Fund's investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of the Fund's investment. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, creditors or holders of securities ranking senior to the Fund's investment in such portfolio company typically would be entitled to receive payment in full before distributions could be made in respect of the Fund's investment. After repaying creditors and senior security holders, the company's remaining assets may not be sufficient for repayment of amounts owed in respect of the Fund's investment. To the extent that any assets remain, holders of claims that rank equally with the Fund's investment would be entitled to share on an equal and ratable basis in distributions that are made out of those assets.

**Need for Follow-On Investments.** The Fund may be called upon to provide follow-on funding to its portfolio companies or may have the opportunity to increase its investment in a portfolio company. Although the general partner may use capital commitments to make follow-on investments, there is no assurance that the Fund and its co-investors will wish to make such follow-on investments or that the Fund and its co-investors will have sufficient capital to do so. Accordingly, third-party sources of financing may be required, but there is no assurance that such additional sources of financing will be available, or, if available, will be on terms favorable to the Fund. The Fund's decision not to make a follow-on investment or its inability to do so may have an adverse impact on such portfolio company in need of such an investment, or may diminish the Fund's proportionate ownership in such portfolio company and thus its ability to influence such portfolio company's future development, and it could have a significant negative impact on the Fund's investment therein.

**No Assurance of Additional Capital for Investments.** After the Fund has financed a company, continued development and marketing of products may require that additional financing be provided. The Fund expects to invest in companies that have substantial capital needs that are typically funded over several stages of investment. No assurance can be given that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained. Alternatively, the Fund, either directly

or through one of its portfolio companies, may elect to sell developed or undeveloped technologies to existing companies. No assurance can be made that buyers for such technologies can be located or that the terms of any such sales will be advantageous.

**Foreign Investments.** The Fund may invest in companies that are based outside of the United States or the operations of which are primarily outside of the United States. Any investment in a foreign country involves risks not found in the domestic securities market, including the following: the risk of economic and financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending; the risk of adverse social and political developments, including nationalization, confiscation without fair compensation, political and social instability and war; the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities; risks related to the possible lack of availability of sufficient financial information as a result of accounting, auditing and financial disclosure standards that differ, in some cases significantly, from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; risks related to the fact that some investments or portfolio company operations may be denominated in foreign currencies and, therefore, will be subject to fluctuations in exchange rates; and risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation so that the Fund could become subject to an unanticipated local tax liability. The profits or losses of the Fund on any investment, as measured in United States dollars, will be affected by fluctuations in currency exchange rates and exchange control regulations as well as by the success of the investment itself. In addition, the Fund may incur costs in connection with conversions between various currencies. The Fund does not presently intend to seek to reduce currency risks through “hedging” or other methods.

**Foreign Exchange Risks.** Contributions to the Fund and distributions from the Fund will be denominated in United States dollars. Investments generally will be denominated in United States dollars but may, in limited circumstances, be denominated in currencies other than United States dollars if deemed advisable by the general partner. As a result, the profits or losses of the Fund on any investment, as measured in United States dollars, may be affected by fluctuations in currency exchange rates and exchange control regulations, as well as by the success of the investment itself. In addition, the Fund may incur costs in connection with conversions between various currencies. The Fund does not presently intend to seek to reduce currency risks through “hedging” or other methods.

**OFAC and FCPA Considerations.** Economic sanction laws in the United States and other jurisdictions may prohibit the general partner, the Firm or their professionals, and the Fund from transacting with or in certain countries and with certain individuals and companies. In the United States, the United States Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) administers and enforces laws, Executive Orders, and regulations establishing United States economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities, and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers, and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at [www.treas.gov/ofac](http://www.treas.gov/ofac). In addition, certain programs

administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may restrict the Fund's investment activities.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. The general partner, the Firm or their professionals and the Fund are committed to complying with the United States Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Fund may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Fund to act successfully on investment opportunities and for portfolio companies of the Fund to obtain or retain business.

In recent years, the United States Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has recently significantly expanded the reach of its anti-bribery laws. While the general partner and/or the Firm intends to develop and implement policies and procedures designed to ensure strict compliance by the Fund and its personnel with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of the Fund's policies and procedures, the Fund's portfolio companies, particularly in cases where the Fund or another Firm sponsored fund or vehicle does not control such portfolio company, may engage in activities that could result in FCPA violations. Any determination that the Fund has violated the FCPA or other applicable anti-corruption laws or anti-bribery laws could subject the Fund to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect the Fund's business prospects and/or financial position, as well as the Fund's ability to achieve its investment objective and/or conduct its operations.

**Future and Past Performance.** The prior performance of any prior funds advised or managed by the Managing Directors, the Firm or an affiliate thereof is not necessarily indicative of the Fund's future results. While the general partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment.

**Bridge Financing.** The Fund may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Fund.

**Leverage.** To the extent that any investment is made in a portfolio company with a leveraged capital structure or any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by the Fund in such company could be significantly reduced or even eliminated.

**Limitations on Ability to Exit Investments.** The general partner expects the Fund to exit from its investments in the following principal ways: (a) private sales (including acquisitions of its portfolio companies); (b) recapitalizations; (c) initial and secondary public offerings; and (d) through sales of any publicly traded securities held by the Fund. At any particular time, one or more of these avenues may not be open to the Fund, or timing with respect to these exit mechanisms may be inopportune. A Managing Director, member, officer, employee or other representative of an affiliate of the Fund may serve as a director of a portfolio company. As a result, the Fund (through its representatives or otherwise) may receive or be deemed to receive information that would restrict its ability to cause the Fund to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect the Fund in buying or selling securities. In addition, the ability of the Fund to execute trades in securities of these companies may also be restricted by securities laws, including but not limited to Section 16 of the United States Securities Exchange Act of 1934, as amended, and Rule 144 promulgated under the Securities Act, as a result of the board participation or the extent of ownership of the Fund and affiliated persons. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

**Potential Liabilities.** In connection with its investments, the Fund may negotiate the right to appoint one or more of the investment professionals of the general partner as a member of the portfolio company's board of directors. Such membership on the board of directors of a company can result in the Fund or the individual director being named as a defendant in litigation or other disputes or investigations. The Fund may also participate in portfolio company financings at valuations lower than the valuations in preceding rounds of financing. Disputes arising out of such down-round financings may result in the Fund, the general partner or its members being named as defendants. Typically, portfolio companies will have insurance to protect directors and officers, but this insurance may be inadequate. The Fund will also indemnify the general partner, the Managing Directors, the Firm or the partners, members, shareholders, principals, managers, managing directors, officers, directors, trustees, employees, agents or affiliates of any of the foregoing, for liabilities incurred in connection with operations of the Fund, including liabilities arising from such disputes. Such indemnification obligations and other liabilities could be substantial and could adversely affect the Fund's returns. The Partners may also be required to return distributions previously made to them to satisfy the Fund's obligations. While the general partner intends to manage the Fund in a way that will minimize exposure to these risks, the possibility of successful claims or lawsuits or adverse regulatory action cannot be eliminated, and such events could have significant adverse effects on the Fund.

**Investments Longer than Term.** The Fund may make investments that may not be advantageously disposed of prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although the general partner expects that the Fund's investments will either be disposed of prior to dissolution or be suitable for in kind distribution at dissolution, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

**Indemnification.** The Fund will be required to indemnify the general partner, the Managing Directors, the Firm or the partners, members, shareholders, principals, managers, managing directors, officers, directors, trustees, employees, agents or affiliates of any of the foregoing, and the members of the Advisory Committee for liabilities incurred in connection with the affairs of the Fund. Such liabilities may be material and have an adverse effect on the returns to the limited partners. For example, in their capacity as directors of portfolio companies, the members and managers of the general partner or affiliates of the general partner may be subject to derivative or other similar claims brought by

shareholders of such portfolio companies. The indemnification obligation of the Fund would be payable from the assets of the Fund, including the unpaid capital commitments of the limited partners.

**Contingent Liabilities Upon 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 such company typical of those made in connection with the sale of a business. To the extent that any such representations are inaccurate, the Fund may be required to indemnify the purchasers of such investment and may be liable to the purchasers for breach of contract. These arrangements may result in the incurrence of contingent liabilities for which the general partner may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires. The Partners may also be required to return distributions previously made to them to satisfy the Fund's obligations with respect to the foregoing.

**Third-Party Involvement.** The Fund may co-invest with third parties through partnerships, joint ventures or other structures. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, might become bankrupt or may be in a position to take action contrary to the investment objectives of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

**Reserves.** As is customary in the industry, the general partner may establish reserves for follow-on investments by the Fund in portfolio companies, operating expenses (including the management fee), Fund liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the limited partners. If reserves are inadequate, the Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with so-called "pay-to-play" or similar provisions. If reserves are excessive, the Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

**Absence of Liquidity and Public Markets.** The Fund's investments will generally be private, illiquid holdings. As such, there will be no public markets for the securities held by the Fund and no readily available liquidity mechanism at any particular time for any of the investments held by the Fund. In addition, the realization of value from any investments will not be possible or known with any certainty until the general partner elects, in its sole discretion, to sell the Fund's investments and subsequently distribute the proceeds to the Partners or to distribute securities to the Partners in lieu of cash.

**Distributions in Kind.** The general partner may distribute the proceeds of certain of the Fund's investments in kind. Any such distribution could put downward pressure on the price of the issuer's securities. In addition, a limited partner that receives assets other than cash from the Fund may incur costs and delays in converting those assets into cash.

**Industry Specific Terminology.** Prospective investors are cautioned that certain terms and phrases of common usage within the venture capital industry may be misleading to those unfamiliar with such usage. In particular, individuals who participate in the management of a fund often are referred to, in a colloquial sense, as "general partners," "managing directors," "managing members" or "partners" even though they

are not actually general partners, managing directors, managing members or partners of any partnership. Prospective investors are reminded that the Fund will be a limited partnership and the general partner will be a limited liability company and that the individuals directing the management of the Fund through the general partner will be managers of the general partner. It is not intended that the Fund will have any general partner other than the general partner or that any actual general partnership will in any manner be associated with the formation, operation, dissolution or termination of the Fund. Prospective investors must not presume or rely upon the existence of any actual legal entities other than the Fund and the general partner. With respect to all matters involving industry specific terminology, prospective investors are urged to consult with their own legal and other advisors.

**Fund Expenses.** In addition to the management fee, the Fund will pay and bear all expenses related to its operations that are not reimbursed by portfolio companies. Limited partners will indirectly bear these expenses in accordance with the terms of the Governing Documents. The amount of these Fund expenses will be substantial and will reduce the actual returns realized by limited partners on their investment in the Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Fund in investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be difficult to budget or forecast. As a result, the amount of Fund expenses ultimately called or called at any one time may exceed expectations. Expenses to be borne by the Firm in connection with the management of the Fund are limited to those items specifically enumerated in the Governing Documents.

From time to time, the general partner or the Firm will be required to decide whether costs and expenses are to be borne by the Fund, on the one hand, and other vehicles advised or managed by the general partner, the Firm or any of their respective affiliates, on the other hand. The general partner will allocate such fees and expenses in a manner it believes in good faith to be fair and equitable, but in its sole discretion. The allocation may not be proportional, as certain of such vehicles have different expense reimbursement terms, including with respect to management fee offsets.

Certain expenses are borne by the portfolio companies, or, if borne by the general partner or the Firm, are reimbursed by the Fund and/or portfolio companies of the Fund, and in some cases the general partner or the Firm may not necessarily seek out the lowest cost options when incurring (or causing the Fund or its portfolio companies to incur) such expenses.

In addition, the Fund may pay expenses common to multiple general partner managed vehicles, and be reimbursed by the other general partner managed vehicles for their share of the expenses, without interest.

**Broken-Deal Costs.** The Fund and any parallel funds will incur costs and expenses associated with potential investments that are not consummated, including, without limitation, certain out-of-pocket fees, costs, expenses, liabilities and obligations incurred by the Fund and any parallel funds, the general partner, the Firm or any of their affiliates on behalf of the Fund and any such parallel funds prior to the date hereof. If any such deals were consummated, the Fund and the parallel funds may have invested alongside third-parties, including, without limitation, any actual or potential co-investment partnerships or entities sponsored, advised or managed by the general partner, the Firm or their respective affiliates. For the avoidance of doubt, any costs incurred by the Fund and any parallel funds in connection with unconsummated investments will be borne solely by the Fund and such parallel funds in proportion to their relative commitments, and will not be shared by any such third parties, including, without limitation, any actual or potential co-investment partnerships or entities sponsored by the general partner or its

affiliates (for the avoidance of doubt, regardless of whether such co-investment partnerships or entities exist or have been identified). Limited partners should note that investors in such co-investment partnerships or entities may be comprised entirely (or almost entirely) of affiliates of the general partner and the Firm, and the fact that such co-investment partnerships or entities will not bear any broken-deal expenses may pose a conflict of interest to the Fund and/or the limited partners.

**No Market; Illiquidity of limited partner Interests.** An investment in the Fund will be illiquid and involves a high degree of risk. There is no public market for the Interests, and no public market is expected to develop. Consequently, limited partners will bear the economic risks of their investment for the term of the Fund. Prospective investors will be required to represent and agree that they are purchasing the Interests for their own account for investment only and not with a view to the resale or distribution thereof.

**Certain Limitations on Ability of limited partners to Transfer Their Interests in the Fund.** The transferability of interests in the Fund will be restricted by the Governing Documents and by United States federal and state securities laws and federal tax laws. In general, limited partners will not be able to sell or transfer their Interests to third parties without the general partner's consent.

**Legal and Regulatory Risks.** Legal and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. Any changes to current regulations or any new regulations applicable to the Fund, the general partner or the Firm could have a material adverse effect on the Fund (including, without limitation, by imposing material costs on the Fund, reducing profit margins, reducing investment opportunities, requiring a significant restructuring of the manner in which the Fund is organized or operated or by otherwise restricting the Fund, the general partner and/or the Firm). Neither the general partner nor the Firm can predict whether changes to current legislations or regulations or any new legislation or regulations will be enacted by legislative bodies or governmental agencies, nor can either of them predict what effect such legislation or regulations might have. There can be no assurance that new legislation or regulations promulgated, including changes to existing laws and regulations, will not adversely affect the Fund, its portfolio companies or their respective investment performance.

The Fund is not and does not expect to be registered as an "investment company" under the Investment Company Act pursuant to an exemption set forth in Sections 3(c)(1) and/or 3(c)(7) thereof. There is no assurance that such exemptions will continue to be available to the Fund. Due to the burdens of compliance with the Investment Company Act, the performance of the Fund's investment portfolio could be materially adversely affected, and risks involved in financing portfolio companies could substantially increase, if the Fund becomes subject to registration under the Investment Company Act. 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 regulation. The Firm is in the process of registering as an investment adviser under the Advisers Act, and expects to be subject to the record-keeping, disclosure and other fiduciary obligations specified in the Advisers Act. All officers and other persons acting on behalf of the general partner will also be officers, directors, partners or employees of the Firm or one of its affiliates. Accordingly, the general partner will look to and essentially rely upon the Firm's registration with the United States Securities and Exchange Commission (the "SEC") in not registering itself and, consequently, all of the investment advisory activities of the general partner are expected to be subject to the Advisers Act and the rules thereunder, and the general partner is expected to be subject to examination by the SEC. In addition, the Fund does not plan to register the offering of the Interests to the limited partners under the Securities Act.

**Compliance Costs.** Increasing legal compliance burdens imposed on the Fund, the general partner, the Firm, their respective managers, members or partners or the Fund's portfolio companies may result in increased time and effort on the part of such persons and/or their respective affiliates thereof devoted to compliance and may distract them from their efforts in connection with the Fund's investment in portfolio companies. In addition, the Fund, the Partners and/or the Fund's portfolio companies may be required to expend resources on structuring and monitoring their relationships to comply with legal and regulatory requirements. Limited partners will be responsible for their own legal compliance responsibilities in connection with their investment in the Fund. Investment funds and their advisers are subject to changing and increasing regulatory compliance obligations under state and federal law, which may subject the Fund, the general partner and the Firm to increased compliance and administrative costs.

**AIFMD.** The Alternative Investment Fund Managers Directive ("AIFMD") came into force on July 21, 2011 and certain fund managers have been obliged to comply with it since July 22, 2013. The AIFMD-implementing laws in the individual member states of the European Economic Area ("EEA") and the United Kingdom (the "UK") regulate the activities of private fund managers undertaking fund management activities or marketing fund interests to investors domiciled or with a registered office in the EEA and the UK, respectively. If the Fund is marketed to these investors: (a) the Fund will be subject to certain reporting, disclosure and other compliance obligations, which may result in the Fund incurring additional costs and expenses; and (b) certain activities of the Fund will also be restricted including, in some circumstances, the Fund's ability to facilitate, support or instruct any distribution, capital reduction, share redemption and/or acquisition of shares by an EEA or a UK portfolio company within the first two years of ownership.

**CFIUS Reviews.** Recent legislation and implementing regulations have expanded the scope of the jurisdiction of the Committee on Foreign Investment in the United States ("CFIUS") to review certain investments by foreign persons into certain United States companies in which the Fund may hold investments. Such legislation and regulations may make it more difficult for portfolio companies of the Fund to raise capital from or be acquired by foreign persons, and may increase the burden and complexity of such transactions, all of which may impact the value, development, and/or prospects of certain portfolio companies of the Fund. In addition, depending on the makeup of persons that may exercise influence over the Fund, including members of the general partner and members of the Fund's Advisory Committee, and the nature of that influence, the Fund could be considered a foreign person under such legislation and regulations.

**Tax Risks.** No assurances can be given that current tax laws, rulings and regulations will not be changed during the life of the Fund. Any such changes may be applied with retroactive effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. Uncertainty in the tax law may require the Fund to accrue potential tax liabilities, even in situations where the Fund does not expect to be ultimately subject to such tax liabilities. Moreover, accounting standards and/or related tax reporting obligations may change, giving rise to additional accrual and/or other obligations. Each prospective limited partner should also be aware that other developments in the tax laws of the United States or other jurisdictions could have a material effect on the tax consequences to the Fund and the limited partners and/or any investment vehicles through which the Fund invests and that investors may be required to provide certain additional information to the Fund (which may be provided to the United States Internal Revenue Service or other taxing authorities) or may be subject to other adverse consequences as a result of such change in tax laws. Prospective limited partners should consult their tax advisors for further information about the tax consequences of purchasing an Interest.

**Fund Audit Rules.** Funds such as the Fund are subject to audit and assessment of tax for underpayments of tax at the entity (i.e., Fund) level. As a result, one or more prospective investors (including, tax-exempt and non-United States investors) may be subject, indirectly, to a greater portion of a tax assessment than would be the result under prior law. In addition, depending on certain elections the general partner will be authorized to take under the Governing Documents, prospective investors may be subject to a higher interest charge on an assessment of tax than absent such elections. Prospective limited partners should consult their tax advisors for further information regarding the new partnership audit rules.

**Withholding and Other Taxes.** The general partner intends to structure the Fund's investments in a manner that is intended to achieve the Fund's investment objectives and, notwithstanding anything contained herein 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 portfolio investments. Prospective investors should consult their own professional advisors with respect to the tax consequences to them of an investment in the Fund under the laws of the jurisdiction in which they are liable for taxation. Furthermore, the Fund's returns in respect of its investments may be reduced by withholding or other taxes imposed by jurisdictions in which the Fund's portfolio companies are organized.

**Risk of Dilution.** Limited partners subscribing for interests at subsequent closings will participate in existing investments of the Fund, diluting the interest of existing limited partners therein. Although such limited partners will contribute their pro rata share of prior capital contributions previously drawn down by the Fund (plus, in certain circumstances, an additional amount thereon), there can be no assurance that such payment will reflect the fair value of the Fund's existing investments at the time such additional limited partners subscribe for such interests.

**Failure to Make Capital Contributions.** If a limited partner fails to pay installments of its capital commitment to the Fund when due, and the contributions made by non-defaulting limited partners and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially and adversely affect the returns to the limited partners (including non-defaulting limited partners). If a limited partner defaults, it may be subject to various remedies as provided in the Governing Documents, including, without limitation, forfeiture of its entire interest in the Fund.

**Electronic Communication.** The general partner may provide statements, reports and other communications relating to the Fund and/or the limited partners' interests in the Fund in electronic form, such as email or via a password protected website ("Electronic Communications"). Electronic Communications may be modified, corrupted or contain viruses or malicious code, and may not be compatible with a limited partner's electronic system. In addition, reliance on Electronic Communications involves the risk of inaccessibility, power outages or slowdowns for a variety of reasons. These periods of inaccessibility may delay or prevent receipt of reports or other information by the limited partners.

**Cybersecurity Risk.** External cybersecurity breaches, including unauthorized access to systems, networks or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality, may occur. In addition, internal incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to

access electronic systems (“denial of services”), loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Fund, the general partner, the Firm or other service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, such incidents could affect the Fund’s portfolio companies, and thereby adversely affect the Fund’s returns.

**Confidential Information.** The Governing Documents will contain confidentiality provisions intended to protect proprietary and other information relating to the Fund and the Fund’s portfolio companies. To the extent that such information is publicly disclosed, competitors of the Fund and/or competitors of its portfolio companies, and others, may benefit from such information, thereby adversely affecting the Fund, its portfolio companies, the general partner and the economic interests of the limited partners.

The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring an interest in a Fund. Potential investors are urged to read the Fund’s Governing Documents, and consult with their independent advisors before making a determination whether to invest in a Fund. In addition, potential investors should be aware that, as a Fund’s portfolio develops and changes over time, the Fund may be subject to additional and different risks.

#### *Conflicts of Interest*

The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in a Fund. The following is not intended as an exhaustive list of the potential conflicts. Instances may arise where the interests of the general partner, the Firm and/or their respective members and/or affiliates may potentially or actually conflict with the interests of the Fund and the limited partners. For example, the existence of the general partner’s carried interest may create an incentive for the general partner to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangements. Conflicts may arise in the allocation of investment opportunities and the members of the general partner’s time among the Fund, and parallel or co-investment entities, on the one hand, and any future funds organized in accordance with the Governing Documents, on the other hand. Further, conflicts of interest may arise as a result of the members of the Firm or the general partner and their respective affiliates having direct or indirect investments in portfolio companies of the Fund as well as other investments both public and private. While certain assurances are provided in the Governing Documents to address these potential conflicts, certain risks may remain.

**Investment Opportunities and Time Commitments.** Conflicts may arise in the allocation of investment opportunities and the Managing Directors’ time among the Fund and parallel or co-investment entities, on the one hand, and any prior or future funds advised or managed by the Firm or an affiliate thereof and any other funds permitted to be organized in accordance with the Governing Documents, on the other hand. Further, conflicts of interest may arise as a result of the Managing Directors having investments in portfolio companies and the Fund as well as other investments both public and private.

To the extent permitted by the Governing Documents and applicable law, the general partner, the Firm and/or their respective members, employees and affiliates may: (a) make investments separate and apart from, or alongside, the Fund; (b) be permitted to manage or participate in other investment funds and similar vehicles during the Fund’s life, any of which may compete with the Fund for investment opportunities, management time and attention, or otherwise; and (c) provide services to, or otherwise engage in transactions with, the Fund. In addition, under certain circumstances, the Fund may invest in

companies in which the general partner, the Firm and/or their respective members, employees and affiliates have a pre-existing interest. Provisions contained within the Governing Documents that authorize such actions may override common law and statutory fiduciary duties that may apply in the absence of such provisions. While the Governing Documents will contain certain protections for limited partners against such conflicts of interest, it will not purport to address all types of conflicts of interest that may arise. Moreover, as a practical matter, it may be difficult for limited partners to subject the behavior of the general partner, the Firm and/or their respective members, employees and affiliates to close scrutiny.

While it is the general intention of the Firm that investment opportunities will be apportioned among the Fund and other investment funds affiliated with the Firm, if any, on a fair and reasonable basis, decisions as to the allocation of investment opportunities present numerous conflicts of interest, and there can be no assurance that the Fund will be offered any specific investment opportunities that come to the attention of the Firm or that the Fund will be permitted to invest the full amount it desires to invest in any opportunity made available to it. For example, while (prior to the earlier of (a) the expiration of the investment period; (b) the satisfaction of the successor fund test (as defined in the Governing Documents); and (c) the date of the dissolution of the Fund, if no successor fund has been formed) the Fund generally will be first offered investment opportunities that meet its investment objectives and strategies and for which it has capacity and is not otherwise restricted from making under the Governing Documents, certain investment opportunities may not be offered to the Fund, such as opportunities that the Firm determines in its sole discretion are follow-on investments for existing investments that have been made by one or more investment funds advised or managed by the Firm or an affiliate thereof. In addition, the Fund's ability to acquire investments or take certain actions with respect to investments may be limited due to the Firm's duties to other investment funds advised or managed by the Firm or an affiliate thereof or under applicable law (including the Advisers Act, the Investment Company Act and/or ERISA) or by the Firm's intention to avoid certain potential conflicts of interest. Similarly, the Firm may be required to take certain actions due to such duties and potential conflicts.

The appropriate allocation among the Fund and other affiliated investment funds of expenses and fees generated in the course of evaluating and making investments often may not be clear and will involve a level of discretion, especially where more than one fund participates in an investment. In addition, conflicts of interest may arise if the Fund invests in a company in which another affiliated investment fund also has invested or will invest (including, without limitation, relating to decisions concerning restructurings, recapitalizations, follow-on investments and other courses of action, as well as the terms thereof). Though conflicts with respect to allocation of investment opportunities may be reasonably believed to be manageable at the outset of an investment by the Fund, future conflicts may arise at the time of additional rounds of financing, or in connection with proposed dispositions of investments, due to considerations including differing cost basis of investments between the Fund and an affiliated investment fund, disparity in the availability of capital to continue to support companies on a pro rata basis or the actual or impending expiration of the term of such affiliated investment fund.

**Carried Interest.** The general partner is entitled to receive distributions and allocations of cash and items of income, gain, loss and deduction that, relative to its capital contributions to the Fund, are proportionately greater than the corresponding distributions and allocations to the limited partners. This incentive compensation arrangement is commonly referred to as "carried interest". The existence of the carried interest may create an incentive for the general partner to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangements.

**Other Funds.** The general partner, the Managing Directors or any of their respective affiliates may form and serve as general partner (or in a similar management role) of one or more investment entities formed for the purpose of making investments that the general partner determines are outside of the Fund's investment criteria, where the Fund determines not to invest, or where such an investment exceeds the portion of such opportunity that the general partner determines should be acquired for the Fund, including, without limitation, any such entities formed for the purpose of facilitating: (i) participation in any investment opportunity in excess of the amount (if any) the Fund determines to invest therein or any co-investment with the Fund, or any of its related funds and/or other opportunistic investments (each, an "SPV"); or (ii) multiple investments in portfolio companies and/or portfolio companies of any of the Fund's related funds and/or other opportunistic investments (concurrently with the Fund or otherwise) (each, an "Opportunity Fund" and, together with any SPVs or other investment entities permitted to be formed pursuant to this paragraph, each, an "Other Fund"). The general partner will determine in its sole and absolute discretion whether all or any part of an investment opportunity will be made through the Fund, an Other Fund or partially through multiple such entities. Each limited partner will be required to acknowledge and agree that there is no guarantee that such limited partner will be offered the opportunity to participate in any Other Fund. The limited partners will be required to acknowledge and agree in the Governing Documents that such investment practices involve an inherent conflict of interest and that the general partner shall have no liability attributable to or based upon such conflict of interest in the absence of intentional harm to the Fund by the general partner or a member thereof (it being understood that causing an Other Fund to take advantage of an investment opportunity or to exercise any legal or contractual rights available to it shall not be deemed intentional harm to the Fund).

**Diverse Investors.** The limited partners will be a diverse group that may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of individual limited partners may relate to, or arise from, among other things, the nature of investments made by the Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the general partner with respect to the nature or structuring of investments that may be more beneficial for some limited partners than for others, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Fund, the general partner will consider the investment and tax objective of the Fund and the Partners as a whole, not the investment, tax or other objective of any limited partner individually. Further, conflicts of interest may arise as a result of the Fund's partners having investments in portfolio companies of the Fund, as well as other investments both public and private.

**Advisory Committee.** Under the Governing Documents, certain transactions that involve conflicts of interest may be submitted to the Advisory Committee. The Advisory Committee will not necessarily represent the interests of the limited partners, and the members of the Advisory Committee may themselves be subject to various conflicts of interest (including as investors in other entities advised or managed by the general partner, the Firm or any of their respective affiliates). In general, the limited partners will not be entitled to control the selection of Advisory Committee members or to review the actions or deliberations of the Advisory Committee. In addition, Advisory Committee members have no fiduciary obligations to the Fund or its Partners other than to act in good faith and, therefore, Advisory Committee members may take into consideration their own interests in a particular matter and are not required to take into consideration the interests of the Fund or any of the other Partners.

**Co-Investment Opportunities.** The general partner may, in its sole discretion, offer co-investment opportunities to certain limited partners and to certain third-parties (on terms determined by the general partner) and, to the extent such co-investment opportunities are offered, they may present inherent

conflicts of interest between the interests of the Fund and the co-investors. These types of co-investments also may result in conflicts regarding decisions relating to a specific portfolio company, including with respect to timing or strategic objectives.

The general partner currently expects to offer co-investment opportunities to limited partners or third party investors when the size of a prospective portfolio investment for the Fund is greater than the maximum amount appropriate for the Fund, as determined by the general partner in its sole discretion. In determining allocations of co-investment opportunities, the general partner may take into account any facts or circumstances it deems appropriate in its sole discretion, including, without limitation: (a) the size of the prospective co-investor's investment in the Fund and any other funds advised or managed by the Firm or an Affiliate thereof, if any; (b) the prospective co-investor's provision of services to the Fund; (c) the prospective co-investor's potential benefit to the Fund's activities or to one or more of its investments; (d) whether and to what extent the prospective co-investor has expressed an interest in co-investment opportunities; (e) the general partner's evaluation of the financial resources, sophistication, experience and expertise of the potential co-investor with respect to the execution of co-investment transactions generally, and with respect to the geographic location or business activities of the applicable investment; (f) perception of past experiences and relationships with each prospective co-investor; (g) whether or not such person has co-invested previously and the ability of any such co-investor to respond promptly and appropriately to potential investment opportunities; (h) perception of the legal, regulatory, reporting, public relations, competitive, confidentiality or other issues that may arise with respect to any prospective co-investor; and (i) any strategic value or other benefit resulting from offering such co-investment opportunity to a prospective co-investor. There is no guarantee, prediction or projection of the availability of co-investment opportunities.

The general partner may grant certain limited partners priority rights to participate in co-investment opportunities. The existence of such priority co-investment rights may result in other limited partners receiving fewer or no co-investment opportunities. In addition, any allocations of co-investment opportunities as between limited partners may not correspond to their pro rata interests in the Fund.

The terms of an investment made by investors in any co-investment partnerships or entities sponsored by the general partner or an affiliate thereof will differ from the terms on which the limited partners invest in the Fund in that such investors in any such co-investment partnerships or entities may not be charged the management fee or carried interest payable by the Fund. The Firm and/or one of its affiliates may, however, charge management fees and/or carried interest in connection with co-investment opportunities offered to limited partners or third parties, and neither the Fund nor the limited partners will be entitled to any portion of such amounts. In addition, none of the co-investors, the Fund or the limited partners will be entitled to receive any portion of any consulting, advisory, directors', investment banking, monitoring, transaction, closing, break-up or similar fees received by the general partner, the Firm, its employees or members or any Managing Director, net of expenses, from any portfolio company of the Fund that are attributable to any co-investment, and the management fee will not be offset by such amounts. Distributions of income and proceeds related to each co-investment will be made separately from, and not aggregated with, distributions of income and proceeds related to the corresponding investment by the Fund.

Co-investments may result in conflicts between the Fund and other co-investors (for example, over the price and other terms of such investment, exit strategies and related matters, including the exercise of remedies of their respective investments). Furthermore, to the extent that the Fund holds interests that are different (or more senior) than those held by such other co-investors, the general partner may be

presented with decisions involving circumstances where the interests of such co-investors are in conflict with those of the Fund. Co-investors may not bear their proportionate share of investment-related expenses (including broken-deal expenses) because such co-investors may not be identified and/or may not agree to invest until relatively late in the investment process, or for other reasons.

**Fees Subject to Offset.** The receipt of directors', consulting, management service, advisory, consultant, transaction, commitment, breakup or broken deal fees or similar fees by the general partner, the Firm or any Managing Director from a portfolio company (net of any unreimbursed expenses, and as adjusted for any similar reductions with respect to any other investment fund managed by the general partner or its Affiliates to prevent double-counting) ("**Fees Subject to Offset**") may create a conflict of interest because the amounts of such Fees Subject to Offset may be substantial, and the rights of the Fund and the limited partners to these fees is limited to the offset arrangement described in the Governing Documents. Determining whether such Fees Subject to Offset will be paid periodically, prepaid or deferred and paid in arrears may also create a conflict of interest. When Fees Subject to Offset are earned with respect to any portfolio company in which the Fund co-invests with third parties, including other funds advised or managed by the Firm or an Affiliate thereof, if any, shall be determined by apportioning such amounts pro rata and applying the Fund's allocable share of such Fees Subject to Offset as described in more detail in the Governing Documents; such allocations often may not be clear and will involve a level of discretion.

**Potential Conflicts in Calculation of Certain Fund Costs and Expenses.** The Governing Documents provides that the general partner or the Firm will bear all normal operating expenses incurred by it in connection with the management of the Fund, except for those expenses borne directly by the Fund (as described in more detail in the Governing Documents). A potential conflict of interest exists in the general partner's determination whether certain costs or expenses that are incurred in connection with the operation of the Fund constitute expenses for which the Fund is responsible or whether such expenses should be borne by the general partner or the Firm, rather than by the Fund. The Fund will be reliant on the determinations of the general partner and the Firm in this regard. Additionally, the Fund will be reliant on determinations of the general partner with regard to the allocation of any common fees or expenses as between the Fund and any other investment funds advised or managed by the general partner, the Firm and/or their affiliates.

**Investor Due Diligence Information.** The Fund will make available, prior to the closing of this offering, to each prospective investor the opportunity to ask questions of, and receive responses from, a representative of the general partner concerning the terms and conditions of this offering and to obtain any additional information, if the general partner possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information set forth herein. Due to the fact that different potential investors may ask different questions and request different information, the general partner may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors.

**Third-Party Relationships.** As part of the Firm's business, the Firm and its employees have developed many relationships with third parties, some of which could be viewed as significant, close or personal, that have the potential to raise conflicts of interest. Such third parties include, without limitation, investment bankers, consultants, custodians, private equity and venture capital investors, co-investors, current and former directors, officers and employees of current and former portfolio companies, and former directors, officers and employees of the Firm, including those who have or may form funds that engage in investment activities similar to those of the Fund. Certain of such third parties may: introduce investment opportunities to the Firm or the Managing Directors; arrange for, or facilitate financing in, the

purchase or recapitalization of potential portfolio companies; introduce portfolio companies to potential acquisition or merger candidates; introduce the Firm to potential buyers of portfolio company securities; facilitate the disposition of portfolio company securities; provide investment banking, consulting or advisory services to the Firm or portfolio companies; co-invest in portfolio companies; perform investment banking services for issuers of private securities held by Firm personnel or their friends or family members; introduce or recommend private investment opportunities to Firm personnel (including, without limitation, the Managing Directors) or their friends or family members; or provide other significant business or investment services to the Firm, the general partner, the Fund, portfolio companies, Firm personnel and friends or family of Firm personnel. Related parties may receive direct commercial compensation from the Fund or portfolio companies for providing these services. Moreover, principals, employees or affiliates of the Firm may have a financial or ownership interest in, or serve on the board of directors of, certain banks, service providers, stockholder representatives and/or other financial institutions or entities that provide services to the Fund or otherwise directly or indirectly participate or act in connection with certain transactions of the Fund. Accordingly, such individuals may have additional economic incentives that create a potential conflict of interest with respect to such Fund transactions.

**Material Non-Public Information.** From time to time, the general partner, the Firm and/or their partners, members, managers, employees, agents, and/or their respective affiliates may come into possession of material nonpublic information concerning specific companies. Under applicable securities laws, this may limit the general partner's or the Firm's flexibility to buy or sell portfolio securities issued by such companies. The Fund's investment flexibility may be constrained as a consequence of the general partner's or the Firm's inability to use such information for investment purposes. Alternatively, each of the general partner, the Firm and their respective affiliates may decline to receive material non-public information that they are entitled to receive on behalf of other investment vehicles, in order to avoid investment restrictions for such investment vehicles, even though access to such information might have been advantageous to the Fund and/or such investment vehicles and other market participants are in possession of such information.

**Differing Levels Of Information.** The general partner, the Firm or their respective affiliates may provide a limited partner with information relating to the Fund and/or its actual or potential portfolio companies that is not provided, or may not otherwise be available, to the other limited partners.

**Side Letters.** The Fund, the general partner and the Firm may enter into one or more "side letters" or similar agreements with certain investors pursuant to which such parties grant to such investors terms that have the effect of establishing rights under, or altering or supplementing the terms of, the Governing Documents or other related agreements, including, without limitation, the circumstances under which involuntary withdrawals from the Fund may be required; preferable economic arrangements; the right to receive reports from the Fund on a more frequent basis or to receive reports that include information not provided to other investors; and "most favored nation" rights (i.e., the right to receive favorable rights or economic arrangements, including co-investment arrangements, that may be afforded to other investors). Subject to applicable law, such agreements generally will be disclosed only to those actual or potential investors that have separately negotiated with the general partner for the right to review such agreements.

## **Item 9. Disciplinary Information**

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

**Item 10. Other Financial Industry Activities and Affiliations***Services by the Firm's Related Person*

As noted above, certain of the Firm's affiliates will serve as the general partner or managing member to certain Funds. The general partners and managing members operate a single business together with the Firm with common owners, officers, partners, and employees.

*Services Provided to Other Investment Advisers*

Prior to starting the Firm, one of the Principals started another investment adviser that managed a private fund that invested in venture capital companies. This fund is currently harvesting its investments and is no longer making new investments. The Firm does not anticipate there to be any transactions between the fund managed by the other adviser and the Firm's Funds. However, for a period of time, the Principal will continue to provide investment advisory services to the private fund managed by the other investment adviser.

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

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

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

*Personal Trading Policy*

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

*Participation or Interest in Client Transactions*

The Firm expects that its Principals and certain employees will have significant personal investments in the Funds. In addition, the Firm expects the Outlander GP/MM, its affiliate, to be entitled to receive carried interest from the Funds.

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

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

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

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

*Research and Other Soft Dollar Benefits*

The Firm does not currently have any formal soft dollar arrangements. If the Firm engages in soft dollar transactions in the future, it intends to comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

*Brokerage for Client Referrals*

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

*Trade Errors*

The Firm may on occasion experience errors with respect to trades made on behalf of client accounts. The Firm will reimburse each client account for losses resulting from trade errors in accordance with the terms of such client's Governing Documents, as applicable.

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

Client portfolios are expected to be reviewed, and their performance analyzed, by the Principals on a regular basis. In addition, the Principals and the CCO are expected to regularly review client portfolios to confirm that the securities held by them remain consistent with their investment strategies, objectives and guidelines.

### *Reporting*

In addition to the reporting below, investors may be provided with certain information about the Firm and the accounts that it manages in response to 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 the Firm is sufficient for its needs.

The Firm will furnish investors in the Funds with periodic written unaudited performance reports as set forth in their Governing Documents. In addition, on an annual basis, the Firm will provide investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, the Firm may provide certain investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or the Firm (including notifications of redemptions from a Fund by the Firm and/or its personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

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

The Firm does not expect that it will receive any economic benefits from third parties in connection with the provision of investment advice to the Funds. The Firm does 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"), the Firm will be deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) the Firm delivers such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

### **Item 16. Investment Discretion**

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

**Item 17. Voting Client Securities**

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

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

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

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

**Item 18. Financial Information**

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

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

The Firm is not a state-registered adviser.