

**Item 1. Cover Page**

**Brochure of  
CSC Upshot Ventures Management, LLC  
CRD # 283270**

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This brochure provides information about the qualifications and business practices of CSC Upshot Ventures Management, LLC (“**Upshot**”). If you have any questions about the contents of this brochure, please contact us at 650-384-6499 or manager@csc-upshot.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.

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

Although Upshot is a “registered investment adviser,” that registration does not imply a certain level of skill or training.

**Item 2.      Material Changes**

This is the annual amendment to this brochure for the fiscal year ended December 31, 2023. Since Upshot's last Form ADV annual update submitted on March 29, 2023, no material changes have occurred.

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#### **Item 4. Advisory Business**

CSC Upshot Ventures Management, LLC, a Delaware limited liability company (“**Upshot**”) is an advisory firm dedicated to early-stage venture capital investing. Upshot was formed in 2015 by Huoy-ming Yeh and CSC SV Management Ltd., a Cayman exempted limited company (“**CSC SV**”). CSC SV is a wholly owned subsidiary of Shanghai Evergreen Investment Co., Ltd, which is wholly owned by China Science & Merchants Investment Management Group Co.,Ltd., a PRC company with limited liability (“**CSM**”).

Upshot provides investment advice to CSC Upshot Ventures I, LP, a Delaware limited partnership (the “**Fund**”) that is exempt from registration under the Investment Company Act of 1940, as amended (the “**1940 Act**”) and whose securities are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”). Upshot’s affiliate, CSC Upshot Ventures Management GP, LLC, a Delaware limited liability company (the “**General Partner**”) serves as the general partner of the Fund. The General Partner is owned, in part, by Huoy-ming Yeh and CSC SV GP, Ltd., which is in turn owned by Shanghai Evergreen Investment Co. Ltd., a wholly owned subsidiary of CSM.

Upshot invests the assets of the Fund primarily, but not solely, in venture capital equity issued principally by early stage businesses that seek seed capital through the syndicated deal platform hosted by AngelList Advisors, LLC (“**AngelList**”), but, subject to certain restrictions, including those relating to the allocation of a certain percentage of the Fund’s capital resources to deals sourced from AngelList, is authorized to enter into any type of investment transaction that it deems appropriate in accordance with the terms of the Fund’s limited partnership agreement, including in deals sourced outside of AngelList. Upshot’s advisory services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Fund, managing and monitoring the performance of such investments and disposing of such investments.

As of December 31, 2023, Upshot had total discretionary regulatory assets under management of approximately \$294,826,529 (including uncalled capital commitments). Upshot only manages assets on a discretionary basis.

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

The Fund, and the investors in the Fund, are “qualified purchasers” as defined under section 2(a)(51)(A) of the 1940 Act. Therefore, information on how Upshot is compensated for its advisory services and its fee schedule is not included here. Upshot’s compensation varies. The precise amount of, and the manner and calculation of, the management fees and performance allocations, for the Fund are established by Upshot, as modified by negotiations with investors in the Fund, and are set forth in the Fund’s investment management agreement, organizational documents and/or other documentation received by each investor prior to investment in the Fund.

The General Partner serves as the general partner of the Fund. As general partner, the General Partner deducts management fees directly from the Fund, which it has assigned to Upshot, and is entitled to certain performance allocations of a portion of realized profits. Investors pay the management fees and performance allocations indirectly through their investments in the Fund.

The Fund's management fees are deducted in advance for each fiscal quarter. Performance allocations occur on certain realized profits from the Fund. Lower fees for comparable services may be available from other sources.

Upshot's relationship with the Fund is terminable on expiration of the Fund's term, dissolution of the Fund or on Upshot's withdrawal as investment adviser. Investors generally may not withdraw from the Fund until the Fund liquidates its underlying investments, but in some cases, an investor may be permitted to withdraw in certain limited circumstances.

Expenses, the pro-rata portion of any management fee and the performance allocations through the date of termination, are typically charged to the Fund. Generally, all prepaid but unearned management fees are refunded to the Fund on termination of the Fund's investment advisory relationship with Upshot. While the Fund does not expect to permit any investor to withdraw, an investor who is permitted to withdraw from the Fund does not receive a refund of any management fee previously paid.

The Fund is responsible for its own costs and expenses, including portfolio company acquisition and disposition costs and expenses, ongoing legal, accounting and bookkeeping fees and expenses, and the fees and expenses charged by any administrator for its accounting, bookkeeping and other services. Upshot generally bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above.

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

Currently, Upshot only manages the Fund, which pays performance-based compensation. Upshot does not manage client accounts that do not pay performance-based compensation.

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

Upshot provides investment advice and management to the Fund. Investment advice is provided directly to the Fund (subject to the direction and control of the General Partner) and not individually to investors in the Fund.

The Fund is closed to new investors. Interests in the Fund were offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Fund include; high net worth individuals, trusts, corporations, limited partnerships, limited liability companies or other entities.

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

**Investment Strategies.** The Fund is an early-stage venture capital fund focused on providing seed capital to technology companies. Investment opportunities are primarily sourced through AngelList, although Upshot retains certain limited discretion to source opportunities from any sources it determines are appropriate.

## ***General Disclosure***

The investment strategies summarized above represent Upshot's current intentions, are customary in nature and are not exhaustive. Generally, there are no limits on the types of securities in which Upshot may take positions on behalf of the Fund, the types of positions that it may take or the concentration of its investments, except that the Fund's organizational or offering documents or the Fund's limited partnership agreement may place restrictions on certain types of investments. Depending on Upshot's assessment of conditions and trends in securities markets and the economy generally, and subject to any restrictions in the Fund's organizational or offering documents, Upshot may pursue any objectives or use any techniques that it considers appropriate and in the Fund's interests. There can be no guarantee that Upshot will achieve the Fund's investment objectives.

## ***Risk Factors***

Investing in securities involves a substantial degree of risk. The Fund may lose all or a substantial portion of its investments, and investors in the Fund must be prepared to bear the risk of a complete loss of their investments. Upshot cannot assure investors that it will be able to successfully select, make and realize investments in any particular portfolio company, and there is no assurance that Upshot will succeed or generate returns that will be commensurate with the risk of the types of venture capital investing in which it expects to engage.

Below are brief summaries of certain material risks relating to Upshot and the investment strategies and methods of analysis that Upshot uses and the types of securities that the Fund purchases. Particular risks relating to the Fund may include, but are not limited to, the following:

- Upshot will compete with other entities to acquire investments. Such competition may result in less favorable investment terms than would otherwise be the case. Upshot may be unable to find a sufficient number of attractive opportunities to meet its investment objectives or to deploy the full amount of capital committed to the Fund.
- The privately held technology and technology related companies in which the Fund invests are in their developmental stage of operations, have little or no revenues and are often unprofitable. These factors make such investments very risky. Most of such entities are ultimately unsuccessful, and the Fund may lose material amounts of its investments.
- Privately held start-up companies are often more reliant on a few critical founding individuals and other key personnel. The loss of the services of one or more of these personnel may adversely affect the outcomes of a portfolio company.
- The Fund's success will depend on Upshot's ability to identify and invest in suitable private companies, manage its investments and divest such opportunities. The loss of the services of one or more personnel at Upshot may adversely affect its ability to achieve these goals, which could adversely affect investors in the Fund.

- Some private 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. The technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital.
- If the Fund does not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the portfolio company and the value of the Fund's original investment. The Fund's capital may not be adequate to protect that Fund from dilution in multiple rounds of portfolio company financing. Further, there is no guarantee that the Fund will invest, even if it has sufficient liquidity. Any decision not to make follow on investments may adversely affect a portfolio company or may result in dilution of the Fund's position.
- The Fund will make investments primarily through AngelList syndicated deals. By participating in these deals the Fund will bear two levels of fees – the fees charged by Upshot and the General Partner and the fees charged by the syndicated deal sponsor and AngelList. The Fund will also bear its proportionate share of the costs and expenses of such syndicated deal structures. Such fees and expenses reduce the return potential for investors.
- The marketability and value of the Fund's investments in private companies will depend on many factors beyond Upshot's control. There will be no readily available market for the Fund's private investments. The public market for seed-stage companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by the Fund.
- The Fund's positions in an issuer's securities may be subordinated to other securities of the issuer with respect to economic, management and other rights.
- The Fund may be required to make representations about the business and financial affairs of a portfolio company in connection with its disposition and may be required to indemnify the purchasers of such investment. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Fund.
- The Fund's investments are typically highly illiquid and may require a significant period of time until a liquidity event occurs (such as an initial public offering, merger or sale). Such investments are often in securities that are restricted and cannot be resold or transferred without significant limitations. There can be no assurance that a portfolio company will be able to consummate a liquidity event at a proper time or favorable valuation.
- Investors in the Fund generally are not permitted to withdraw capital from the Fund, and as a result will have extremely limited liquidity.

- The Fund will only make distributions in limited circumstances, and distributions may not be made before the Fund's liquidation, or at all. As a result, there will likely be no near-term cash flow available to investors in the Fund.
- Investors in the Fund will be required to make capital contributions to the Fund upon capital calls of the General Partner as described in the Fund's limited partnership agreement. An investor who fails to make a capital contribution to the Fund when required to do so will be subject to significant penalties, including potential forfeiture of part of that investor's prior investment in the Fund and other legal remedies.
- The Fund may not achieve its investment objectives. Its strategy may not be successful, and investors may lose some or all of their investment.
- Investor sentiment on the market, an industry or an individual portfolio company or other security is not predictable and can adversely affect the Fund's investments.
- The Fund will likely be concentrated in technology-sector companies, most of which are unseasoned startup companies. Those securities involve substantially higher risks than do investments in securities of more seasoned companies, even companies that are raising additional rounds of financing.
- Upshot may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Upshot also may receive material, nonpublic information that prevents it from trading securities of a company for the Fund when the Fund could make a profit or avoid losses.
- Counterparties such as custodians with which Upshot does business on behalf of the Fund may default on their obligations. For example, the Fund may lose its assets on deposit with a custodian, if the custodian becomes bankrupt.
- There is a risk of incurring a loss on assets held in custody in the event of a bank's, custodian's or sub-custodian's default, insolvency, negligence, fraud, poor administration, or inadequate recordkeeping. When Upshot has the ability to select a custodian for the Fund's assets, an internal evaluation of the creditworthiness of a custodian may prove insufficient. Upshot has established, and may establish, relationships with custodians to safeguard the Fund's assets, and to the extent possible, the Fund's securities will be entrusted to a qualified custodian. A disruption in the custodial services provided through any such relationship(s) before Upshot establishes additional relationships could have a significant impact on the business due to Upshot's reliance on such custodian. The inability to establish or maintain such custodial relationships would potentially limit Upshot's ability to transfer assets and could create losses, precluding the Fund from engaging in or executing certain transactions, transferring funds, and/or preventing participation in certain deals. A custodian may transfer to itself all rights, title, and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge, or otherwise use all such collateral for its own purposes. If any such transfer occurs, the Fund will rank as such custodian's (or affiliate's) unsecured creditor. If such custodian or affiliate becomes insolvent, the Fund may not be able to recover such equivalent securities in full or any such recovery.



may be delayed. In addition, the Fund's cash held by a custodian may not be segregated from such custodian's own cash and, if not so segregated, may be used by such custodian or affiliate in the course of its business and the Funds will therefore rank as an unsecured creditor. If a custodian were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the Fund's cash, securities and other assets may be delayed or be of a value less than the value of the assets originally entrusted to such custodian. Upshot is not restricted from dealing with any particular custodian or from concentrating any or all of Fund's assets with a single custodian.

- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in certain parts of the world have deteriorated materially and rapidly, resulting in volatile securities markets and large investment losses. Depending upon the investment strategies employed and market conditions, the Fund may be adversely affected by such unforeseen events involving such matters as political crises, military actions, terrorist attacks, natural disasters, public health issues (including viral outbreaks such as the COVID-19 coronavirus), changes in currency exchange rates or interest rates, forced redemptions of securities, regulatory intervention or general market conditions creating illiquidity or pricing anomalies or value impairment. Such downturns may lead to material losses for the Fund. Further, government actions responding to these conditions could lead to inflation and other negative consequences to the Fund.
- The Fund's investments will be concentrated in the technology industry on early stage companies. A downturn in the technology sector may cause significant losses.
- Upshot generally determines the value of securities held in Fund accounts, whether or not a public market exists for such instruments. If Upshot's valuation is inaccurate, it might receive more compensation than that to which it is entitled.
- Upshot and its affiliates and agents generally are not responsible to the Fund for its losses unless the conduct meets an exception to the specific limitation of liability provisions in the applicable agreements that govern Upshot's or its affiliates' relationship with the Fund.
- Upshot's affiliates have substantial investments, including in other companies operating in the venture capital industry in the United States. CSM indirectly owns significant portion of the membership interests in Upshot and the General Partner. An affiliate of CSM is also the largest investor in the Fund. CSM has substantial business interests in the United States and in China. These interests in the United States include (i) an investment in AngelList, through which the Fund sources most of its deals, and (ii) controlling a wholly-owned entity, Hone Capital LLC, through which CSM makes investments of proprietary capital. These investments by CSM may create conflicts for Upshot in managing the Fund, as the Fund may participate in the same investment as CSM, affecting the desired allocation for the Fund. As a result of these conflicts, the Fund may receive less optimal terms or may make investments that it would not otherwise make absent such conflicts. Upshot addresses these conflicts as discussed in Item 10 below.

- The Committee on Foreign Investment in the United States (“CFIUS”) may review certain investments by a foreign person in a U.S. business that could raise national security concerns. The Fund’s investments may be deemed foreign investments under this law, although the analysis is complex. As a result, portfolio investments by the Fund and in turn the Fund’s economic performance may be adversely affected by the application of CFIUS and related regulations. Further, given the tensions between the U.S. and China on international trade and other areas, the U.S. government may enact additional legislation and promulgate additional regulations further restricting non-U.S. investments in the U.S. business to which the Fund’s portfolio investments may be subject.
- There is not and will not be an active market for Fund interests. It will often be impossible to transfer any such interests.
- If the assets that Upshot and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Upshot to find attractive investments as the amount of assets that it must invest increases.
- Upshot and its affiliates may spend time on activities that compete with the Fund, including investing for other funds and their own accounts. If Upshot receives better compensation and other benefits from managing certain funds compared to managing the Fund, it has incentive to allocate more time to those other activities. These factors could influence Upshot not to allocate, or to allocate less of, an investment to the Fund even if such investments would benefit the Fund.
- Upshot may provide some investors in the Fund more frequent or detailed reports, special compensation arrangements, co-investment rights or other rights and privileges that it does not provide to other investors.
- Upshot’s performance-based allocations may create an incentive for Upshot to make investments that are riskier or more speculative than it would make if it did not receive such compensation.
- The Fund generally may dissolve at any time upon occurrence of certain events pursuant to the Fund’s limited partnership agreement, even if such actions adversely affect the Fund or certain investors.
- Upshot, an administrator or any government agency may freeze or take other actions regarding assets that any of them believes the Fund may hold in violation of certain anti-money laundering laws or rules. None of Upshot, the Fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- Upshot is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator. The equity interests in the Fund are not registered under the Securities Act, and the Fund is not registered as an investment company under the 1940 Act. If a regulatory authority deems that any

of these registrations is required, Upshot and the Fund could be subject to legal or other actions that may make the continued management of the Fund impossible, prohibitively expensive and/or difficult. In addition, investors in the Fund do not have certain regulatory protections that they would have if these registrations were in place.

- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative or other securities, which may increase the time and resources that Upshot must devote to regulatory compliance, to the detriment of investment activities.
- Upshot's investment activities could cause adverse tax consequences to the Fund and its investors, including liability for interest and penalties.
- If the Fund were to become subject to the Employee Retirement Income Security Act of 1974 ("ERISA") and a transaction in which the Fund engages were to constitute (or be alleged to constitute) a prohibited transaction under ERISA, the Fund and its investors could be adversely affected.
- If the Fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits in accordance with the Fund's limited partnership agreement and the applicable law.
- Business Continuity and Disaster Recovery Risks. Upshot's or the Fund's portfolio companies' business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disasters, terrorist attacks, or other circumstances resulting in property damage, network interruption, and/or prolonged power outages. Although Upshot has implemented measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on Upshot and the Fund's investments.
- An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including Upshot's business and the Fund's portfolio companies, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive absences. Upshot has policies and procedures to address known situations, but because a large epidemic may create significant market and business uncertainties and disruptions, not all events that could affect Upshot's business and/or the markets can be determined and addressed in advance.

The above is only a brief summary of some of the important risks that the Fund or investor may encounter. Before deciding to invest in the Fund, investors should carefully consider all of the risk factors and other information in the Fund's offering documents.

## Item 9. Disciplinary Information

Upshot, the General Partner, and their personnel have no reportable disciplinary information. CSM is a large organization and has had a number of reportable disciplinary events connected with its listing as a publicly traded company in China and related disclosure and reporting requirements. These issues are unrelated to the operation of Upshot or the General Partner or the Fund's investments. Those events included:

- CSM was listed on China's National Equities Exchange and Quotations in 2015. In connection with CSM's obligations as a public company under the applicable Chinese law, the Shenzhen Office of China Securities Regulatory Commission ("CSRC") alleged that (1) certain disclosed related party transactions entered into by CSM or its affiliates constituted occupation of funds, and (2) CSM failed to disclose certain other transactions entered into by CSM that constituted occupation of funds. Shan Xiangshuang, as controlling shareholder, controlling person and chairman of the board of CSM failed to take necessary steps to prevent the foregoing occupation of funds and to cause CSM to fulfill its disclosure obligation. CSM and Mr. Xiangshuang were issued a warning letter, but no further actions, fines or suspensions were undertaken.
- In connection with CSM's disclosure obligations as a public company under the applicable Chinese law, the CSRC alleged that CSM failed to fully disclose certain information as required, disclosed certain information to media prior to making the public disclosure, and failed to correct certain information published on media. CSRC also alleged that Mr. Xiangshuang, as the chairman of the board and general manager of CSRC, was responsible for CSM's foregoing activities. CSM took certain corrective actions, including, among others, providing internal training, requesting its personnel comply with relevant Chinese laws and regulations, improving its management controls over public information and publicly apologizing for relevant violations. No fines or suspensions were undertaken.
- CSRC alleged that China Science Huitong Equity Investment Fund ("**Huitong**"), a wholly-owned subsidiary of CSM, failed to disclose its continuous purchase and holding of Netac Technology Co., Ltd. ("**Netac**") when its shareholding in Netac reached 5%. To correct the issue, Huitong and Mr. Xiangshuang paid combined fines of approximately RMB3,900,000, made the requisite reporting and disclosure relating to its above 5% shareholding in Netac, and CSM made a public announcement on January 26, 2017, to apologize for the violations by Huitong and Mr. Xiangshuang and to commit to (1) provide internal training of relevant Chinese laws and regulations to its board and executive officers, (2) request its personnel to comply with relevant Chinese laws and regulations, and (3) improve its management and control systems over information disclosure.

## **Item 10. Other Financial Industry Activities and Affiliation**

As noted in the Items above, Upshot is the investment adviser to the Fund. The General Partner is the general partner of the Fund as disclosed in Item 4. Neither Upshot nor the General Partner are registered with the Commodity Futures Trading Commission as commodity pool operators. Upshot does not recommend or select other investment advisers for its clients.

As disclosed in Items 4 and 9 above, CSM is a related person of Upshot. CSM makes certain investments in the U.S. outside of the Fund. These activities include, among others, an investment in AngelList. As a result of its investment in AngelList, CSM may have an incentive to cause the Fund to invest through AngelList in syndicated deals, especially in deals in which AngelList is paid an incentive compensation.

CSM also wholly owns Hone Capital, LLC, a Delaware limited liability company (“**Hone Capital**”), which manages CSM’s direct investments in the U.S. Hone Capital does not serve as an investment adviser to any third parties nor does it receive any fees for its activities on behalf of CSM. Investments made or managed by Hone Capital may be in the same types of investments in which the Fund invests.

The above activities create potential conflicts of interests between the Fund and the other investments of CSM. For example, conflicts may arise when the Fund makes investments in portfolio companies in which Hone Capital has a position. Conflicts may also arise in determining the terms of investments, particularly where the Fund may invest in different types of securities in a single portfolio company.

CSM represents the vast majority of the Fund’s capital, which reduces the conflicts described above. To further address conflicts, Upshot has adopted policies and procedures that regulate its employees’ activities. Upshot only makes investment decisions for the Fund that it determines are in the best interest of the Fund, without considering the interests of any other party. Upshot requires that each member of its investment committee acknowledge its policies and procedures and agree to act in the best interest of the Fund in making investment decisions. Further, one of Upshot’s investment committee members, and its founding manager, Huoy-ming Yeh, is independent of CSM and has the authority to veto certain investment decisions.

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

### **Code of Ethics**

Upshot has adopted a Code of Ethics that establishes standards of conduct for Upshot’s personnel. The Code of Ethics includes general requirements that Upshot’s personnel comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, employee conduct and insider trading.

Subject to certain limitations in the Code of Ethics, personnel of Upshot and their families and households may not purchase a “**Covered Security**” without the prior approval of Upshot’s Chief Compliance Officer. Covered Security does not include, and preclearance is not required for: (a) shares of open-end investment companies registered under the 1940 Act (i.e., mutual funds) that

are not affiliated with Upshot (but disclosure of closed-end funds and exchange-traded funds is required), (b) securities issued by the government of the U.S., (c) money market instruments (e.g. bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments) and (d) shares of money market funds.

Under the Code of Ethics, Upshot personnel are also required to file certain periodic reports with Upshot's Chief Compliance Officer. The Code of Ethics helps Upshot detect and prevent potential conflicts of interest and certain regulatory issues.

Upshot's personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Upshot's personnel are required to certify periodically their compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any Fund or to any other client or prospective client of Upshot, by contacting Upshot at [manager@csc-upshot.vc](mailto:manager@csc-upshot.vc).

### ***Conflicts of Interest***

Upshot and its employees, related persons and affiliates may, as applicable, invest in the Fund, alongside the Fund as direct or indirect investors in various investments in which the Fund invests or otherwise. Upshot's employees, related persons and affiliates have made or may make capital investments in certain portfolio companies, including prior to investment by the Fund, and therefore may have additional conflicting interests in connection with these investments.

Further, certain Upshot personnel are responsible for managing the Fund and for other roles at CSM and its affiliates. As a result, Upshot's personnel will face conflicts in allocating time, services or functions between the Fund and such other activities. For example, the focus and devotion of employees and officers towards investing on behalf of the Fund may be diluted as a result of working on other tasks and projects related to CSM. Upshot's and its affiliates' interests may conflict with the interests of the Fund. Certain of these conflicts of interest, as well as a description of how Upshot addresses such conflicts of interest, can be found below.

There can be no assurance that the Fund's return in a particular transaction would be as favorable as it would have been had such conflict not existed.

### ***Resolution of Conflicts Generally***

In the case of all conflicts of interest, Upshot's determination as to which factors are relevant, and the resolution of such conflicts, will be made using Upshot's best judgment, but in its absolute discretion. In resolving conflicts, Upshot may consider various factors, including the interests of the Fund with respect to the immediate issue and/or with respect to its longer-term courses of dealing.

Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- The Fund will not make an investment unless Upshot believes that it is an appropriate investment considered solely from the viewpoint of the Fund; and

- Certain conflicts of interest will be resolved by set policies and procedures that Upshot maintains.

### ***Conflicts with Personnel***

Any transactions in the Fund's portfolio companies by Upshot personnel are subject to the policies and procedures set forth in Upshot's Code of Ethics. If Upshot, its personnel, or their affiliates have made capital investments in such portfolio companies or intend to make such investments alongside the Fund, they may have conflicting interests with respect to these investments. To address this conflict, Upshot first allocates investment opportunities to the Fund before making such opportunities available to its personnel.

Further, Upshot's personnel have conflicts over the amount of time devoted to the Fund. In determining how to allocate time between Upshot and other activities, the employees and officers of Upshot will devote only such portion of their time to the affairs of the Fund as they consider appropriate in their respective judgment.

### ***Conflicts with Follow-on Investments***

Follow-on investments in portfolio companies may present conflicts of interest, including the terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by the Fund in a portfolio company in which CSM (or its affiliates) or any Upshot personnel have previously invested. To address this conflict, Upshot first allocates investment opportunities to the Fund before making such opportunities available to its personnel or affiliates.

In addition, the Fund may participate in re-leveraging and recapitalization transactions involving portfolio companies in which CSM (or its affiliates) or any Upshot personnel has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

### ***Business with Portfolio Companies and Investors***

Officers and other employees of Upshot may serve as directors, advisers or consultants to certain portfolio companies and may serve in such roles for other portfolio companies in the future. Such officers or employees may have fiduciary obligations both to the portfolio company and to the Fund, which may result in potential conflicts of interests. Upshot may also have a conflict of interest to the extent that it has an incentive to invest the Fund's assets in portfolio companies that compensate Upshot or its officers or other employees.

As a result of the nature of venture capital, there are situations in which Upshot is in the position of recommending certain portfolio company or third-party service providers to other portfolio companies. With respect to portfolio company service providers, Upshot may have a conflict of interest in making such recommendations, as the Fund may not be invested in each portfolio company, and Upshot has an inherent interest to encourage the use of existing portfolio companies' products and services even if those products and services may not be the best available to the portfolio company.

Upshot and its affiliates may from time-to-time use the services of investors in the Fund and their affiliates on an arm's length basis, as they deem appropriate. Upshot has an incentive to favor such services even if a better price or quality of service could be obtained from another person.

## **Item 12. Brokerage Practices**

In transactions for the Fund to make portfolio investments, brokers are typically not used, and commissions are not ordinarily paid. Upshot may, however, on occasion use in connection with private transactions, and may direct the Fund to invest in or dispose of public securities that requires the use of, a broker in accordance with the following policies.

***Selecting Brokers and Dealers.*** Upshot has complete discretion in selecting the broker that it uses for the Fund's transactions and the commission rates that the Fund pay such brokers. In selecting a broker for any transaction or series of transactions, Upshot may consider a number of factors, including, for example:

- reputation, financial strength, and stability;
- responsiveness to Upshot's requests and inquiries;
- custody, recordkeeping and similar services; and
- willingness to execute related or unrelated difficult transactions in the future.

Although Upshot expects to use brokers rarely, if brokers are used, Upshot may purchase from a broker or allow a broker to pay for the following (each a "**soft dollar**" relationship):

- research services;
- economic and market information;
- portfolio strategy advice;
- industry and company comments; and
- technical data.

Upshot may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers or direct a broker that executes transactions to share some of its commissions with a broker that provides soft dollar benefits to Upshot.

Upshot may pay to a broker commissions and mark-ups that exceed those that another broker might charge for effecting the same transaction because of the soft dollar relationships that such broker provides. Upshot determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Upshot's overall fiduciary duty to the Fund. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Upshot's brokerage relationships may benefit Upshot's operations as a whole and the Fund.

Upshot maintains cash balances for the Fund with qualified custodians. Upshot may replace these service providers at any time. The custodians have custody of most of the Fund's assets and may provide Upshot with some other services. These services may include: technology, capital introduction services, portfolio reporting and access to electronic communications networks. The



arrangements may be deemed to be soft dollar arrangements. Some of these services may be used for administrative purposes, which would not be within the safe harbor of section 28(e). Although many custodians provide similar services to investment advisers in exchange for custody and clearance fees and other charges, if Upshot did not receive these services from the custodians, it would be required to pay for all or some portion of them. Upshot addresses these conflicts of interest by regularly evaluating the services it receives from the Fund's brokers and custodians, including comparing those services to the services available from other brokers and custodians to determine if Upshot is achieving best execution in the Fund's transactions. Matters that are evaluated may include, among others, the quality of execution services, the desirability of continuing with various soft dollar services and the desirability of adding or removing brokers and increasing or decreasing targets for each broker (based on Upshot's assessment of the value that each broker adds to the Fund) and the appropriate level of commission rates.

Upshot is not required to direct a particular number of trades to any broker or custodian or to continue to use it, but it has an incentive to do so based on the broker's or custodian's prior and continued services.

Upshot does not direct any brokerage to a broker in return for its referral of prospective investors in the Fund. Upshot does not permit the Fund or investors to direct Upshot to use specific brokers.

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

Huoy-ming Yeh and a representative of CSM manage and review the portfolio of the Fund, asset allocation, cash management, market prospects and individual portfolio companies.

Investors in the Fund typically receive, among other things, a copy of the audited financial statements of the Fund. Upshot may from time-to-time, in its sole discretion, provide additional information relating to the Fund to one or more investors in the Fund as it deems appropriate.

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

Upshot does not receive economic benefits from persons other than clients for providing investment advisory services to its clients.

#### **Item 15. Custody**

Not applicable.

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

Upshot has discretionary authority to manage the Fund pursuant to a grant of authority in the Fund's partnership agreement. Fund investors generally may not place any limits on Upshot's authority, other than the restrictions set forth in the Fund's limited partnership agreement.

## **Item 17. Voting Client Securities**

Upshot decides whether to vote proxies on behalf of the Fund after considering whether the proposal will have a material effect on the account's investment strategy. This analysis may lead Upshot to abstain from voting proxies. In determining whether a proposal serves the Fund's best interests, Upshot considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company.

When Upshot deems appropriate, in its absolute discretion, Upshot may retain one or more proxy voting firms to provide research, recommendations and voting services on proxy voting issues. Generally, Upshot instructs such firms to make voting decisions on behalf of the Fund based on the considerations described in the proxy voting guidelines that such firms periodically provide to Upshot. Upshot may override such firm's voting decisions if Upshot deems it in the best interests of the Fund. If Upshot does not affirmatively override a voting proxy firm's recommended voting decision, the voting proxy firm will vote in accordance with its recommendation.

If a material conflict of interest over proxy voting arises between Upshot and a client, Upshot will vote all proxies in accordance with the policy described above. If Upshot determines that this policy does not adequately address the conflict of interest, Upshot will notify the client of the conflict and request that the client consent to Upshot's intended response to the proxy solicitation. If the client consents to Upshot's intended response or fails to respond to the notice within a reasonable time specified in the notice, Upshot will vote the proxy as described in the notice. If the client objects in writing to Upshot's intended response, Upshot will vote the proxy as the client directs.

An investor in the Fund can obtain a copy of Upshot's proxy voting policy and a record of votescast by Upshot on behalf of the relevant Fund by contacting Upshot at [manager@csc-upshot.vc](mailto:manager@csc-upshot.vc).

## **Item 18. Financial Information**

This Item is not applicable because Upshot is not required to report financial information.

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

Not applicable. Upshot is not registered as an investment adviser with any state's securities agency.

## **Privacy Policy**

Upshot and its affiliates, including the General Partner, and the Fund are committed to safeguarding the confidential information provided to them by their clients, investors in the Fund and prospective and former clients and investors in the Fund.

Upshot and the Fund collect nonpublic, personal information about these former, current and prospective investors from the following sources: interviews and other conversations between investors and representatives of Upshot or the Fund; subscription agreements, offering questionnaires and other documents provided by these investors; information about investors' transactions with the Fund and others; and information that Upshot and the Fund receive from consumer reporting agencies.

Upshot and the Fund do not disclose any nonpublic, personal information about any of their investors to anyone, except as permitted by law or as disclosed herein. Disclosures that are permitted by law include disclosures that are necessary to effect, administer or enforce a transaction that an investor requests or authorizes. Other examples of disclosures that are permitted by law are disclosures to Upshot's or the Fund's accountants, auditors and lawyers, disclosures to regulators that examine Upshot's or the Fund's business, disclosures that these investors specifically request and disclosures authorized by an investor in its subscription agreement with any Fund.

Upshot and the Fund do not provide personal information about investors to mailing list vendors or solicitors for any purpose. Upshot and the Fund restrict access to nonpublic, personal information about investors to those employees of Upshot who have business or professional need to know such information. In addition, Upshot and the Fund use reasonable precautions to maintain a secure office and computer environment to verify that the confidentiality of investors' information is not placed at unreasonable risk.