

PART 2A OF FORM ADV – FIRM BROCHURE



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March 2024

This brochure (the “Brochure”) provides information about the qualifications and business practices of Arrowroot Capital Management, LLC (“Arrowroot”). If you have any questions about the contents of this Brochure, please contact us at (310) 566-5966 or at info@arrowrootcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Arrowroot also is available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT ARROWROOT OR ANY PRINCIPALS OR EMPLOYEES OF ARROWROOT POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Item 2 - Material Changes

This Item discusses only those material changes to Arrowroot Capital Management, LLC's ("Arrowroot") Brochure since Arrowroot's last annual updating amendment. There have been no material changes since Arrowroot's last annual Brochure filing in March 2023.

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Item 4 - Advisory Business

Arrowroot is a Delaware limited liability company that was formed on September 27, 2013 and commenced operations in January 2014. Arrowroot is a global growth equity firm based in Marina Del Ray, CA with a secondary office in Miami, FL. The principal owner of Arrowroot is Matthew Safaii (the “Managing Partner”).

Related persons of Arrowroot generally act as general partner of each Arrowroot Fund.

Arrowroot primarily provides discretionary investment advice to private growth equity capital investment funds: Arrowroot Capital, L.P. (“Fund I”), Arrowroot Capital II, L.P. (“Fund II”), Arrowroot Capital III, L.P. (“Fund III”), Arrowroot Capital IV, L.P. (“Fund IV”) and Arrowroot Capital V, L.P. (“Fund V”, and together with Fund I, Fund II, Fund III and Fund IV, the “Arrowroot Funds”) with investment focuses on minority, majority and buyout investments in business to business software companies (the “Portfolio Companies”). Arrowroot also manages several special purpose vehicles (the “Arrowroot SPVs”, and together with the Arrowroot Funds, the “Advisory Clients”) that were formed to invest in a single Portfolio Company or to co-invest with, or invest parallel to, the Arrowroot Funds. Participation in the Arrowroot SPVs was offered to existing investors, Arrowroot employees, and key persons, as well as outside parties pursuant to the terms of the applicable limited partnership agreement.

Typically, affiliates of Arrowroot serve as the general partners of each Advisory Client (each an “Advisory Affiliate”). Each of the Advisory Affiliates is a related person of Arrowroot. Arrowroot, together with the Advisory Affiliates, provides investment management and/or investment supervisory services. Typically, Arrowroot, or an Advisory Affiliate, manages each Advisory Client’s investments pursuant to the Advisory Client Agreement. Each Advisory Affiliate retains investment discretion and management authority over the business and affairs of the Advisory Client for which it serves as general partner.

Arrowroot is a growth equity firm exclusively focused on structured equity investments in enterprise software companies. Arrowroot generally targets attractive risk-adjusted returns by seeking to provide transitional capital to what it views as healthy, growing SaaS companies with significant, recurring sales and customer validation that it believes are under-resourced and need capital for growth-related initiatives. Arrowroot typically leads or co-leads all of its investments and targets opportunities sourced on a proprietary basis. The firm’s investment and operating professionals have strong backgrounds with SaaS investments, and Arrowroot seeks to add significant value to its Portfolio Companies through growth initiatives and operational improvements. While it is anticipated that Arrowroot will invest in these types of companies, it has broad and flexible investment authority. Each Advisory Client’s investment objective and strategy is set forth in the respective Advisory Client’s governing documents. All investors in the Advisory Clients (“Investors”) are provided with an Advisory Client Agreement and, in the case of certain Advisory Clients, a confidential private placement memorandum or other offering documents prior to making an investment. Investors are urged to carefully review those documents prior to making an investment in the Advisory Client.

Arrowroot, or an Advisory Affiliate, tailors its investment advice to each Advisory Client in accordance with the Advisory Client’s investment objectives and strategy as set forth in the relevant Advisory Client Agreement and, if applicable, confidential private placement memorandum.

Generally, Arrowroot does not tailor its advisory services to the individual needs of Investors. Investment decisions and advice are subject to the investment objectives and guidelines set forth in the relevant Advisory Client Agreement.

The Arrowroot Funds and their respective general partners, without any further act, approval or vote of any Investor, has entered into side letters or other similar agreements with certain limited partners that have the effect of establishing rights (including economic terms) under, or altering or supplementing the terms of than those set forth in the respective Arrowroot Fund's governing documents.

Investors and prospective Investors in each Advisory Client should refer to the confidential private placement memorandum, limited partnership agreement and other governing documents for each Advisory Client (the "Governing Documents") for more complete information on the investment objectives with respect to a particular Advisory Client. There is no assurance that any of the Advisory Clients' investment objectives will be achieved.

Arrowroot does not participate in any wrap fee programs.

Arrowroot manages all assets on a discretionary basis in accordance with the terms and conditions of each Advisory Client's Governing Documents. As of December 31, 2023, Arrowroot managed \$737,661,925 of Advisory Client regulatory assets.

Item 5 - Fees and Compensation

Compensation and Fee Schedules

All Investors should review the Governing Documents for each Advisory Client in conjunction with this Brochure for more complete information on the fees and compensation payable with respect to a particular Advisory Client.

Other than Fund I and Fund II, Arrowroot is generally compensated from the Arrowroot Funds for its advisory services through an annual management fee of 2% of the aggregate capital commitments or invested capital (depending on the particular Arrowroot Fund), which is payable quarterly in advance. In the case of Fund III, Fund IV and Fund V, after the investment period has concluded, its annual management fee is based on invested capital with respect to investments that have not been disposed of or permanently written-down.

In the case of the Arrowroot SPVs, the one-time management fee is generally payable on the initial contribution date and ranges from 1% to 3% of committed capital (and in, certain SPVs, such committed capital excludes the non-affiliated partners' percentage of committed capital).

In addition, in the case of the Arrowroot Funds, Advisory Affiliates receive performance-based profit distributions (commonly referred to as "Carried Interest") in each of the Arrowroot Funds once all capital contributions have been returned to the Investors in the respective Arrowroot Fund (pursuant to the terms in their respective Governing Documents). In general, an Arrowroot Fund distributes 20% of its net profits to the applicable Advisory Affiliate. With respect to certain Advisory Clients, a hurdle rate and/or other factors apply to the calculation of the Carried Interest (as detailed in the Governing Documents). The Arrowroot SPVs have similar performance-based fees that distributes a range of 5% to 25% of net profits to the applicable Advisory Affiliate.

In certain circumstances, the advisory fees payable to Arrowroot by Investors may be negotiable.

Deduction of Fees

Arrowroot is authorized under the Governing Documents to charge and deduct advisory fees directly from the assets of the Advisory Clients, at the times and in the amounts described above. Investors do not have the ability to choose to be billed directly for management fees.

Other Fees and Expenses

In addition to the fees noted above, the Advisory Clients will pay (or reimburse Arrowroot) for, all other costs, expenses, liabilities and obligations (referred to collectively in this definition as "costs") relating to the Advisory Client and/or its subsidiaries' and intermediate entities' activities, business, alternative investment vehicles, Portfolio Companies or actual or potential investments (to the extent not borne or reimbursed by a Portfolio Company or potential Portfolio Company), including all costs relating or attributable to: (i) activities with respect to the sourcing, identifying, pursuing, structuring, organizing, negotiating, consummating, financing, refinancing, diligencing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, recapitalizing trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, the Advisory Clients Portfolio Companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party

diligence, software and service providers, consultants and similar professionals in connection therewith and any costs related to transactions that were offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Advisory Client, Arrowroot or any “affiliated partner” on behalf of the Advisory Client (including any credit facility, letter of credit or similar credit support or any indebtedness entered into pending participation by a co-investor in an investment), including the repayment of principal and interest with respect thereto, or evaluating, negotiating or conducting any other activities related to seeking to put in place or amend any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services (including buy- and sell-side finders’ fees as well as similar deal sourcing payments); (v) brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account, registered office and similar services (including any depositary appointed pursuant to the AIFMD and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation relating to the implementation thereof); (vi) reporting, filings and other ongoing compliance requirements contemplated by AIFMD or any similar law, rule or regulation (other than the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (vii) legal, accounting, research (including expert consultants, research reports, subscriptions to any periodicals, databases and/or research services, research calls and meetings and research or industry conferences), auditing, technology, administration (including costs associated with the Advisory Clients’ third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services, including with respect to Portfolio Company transactions entered into between the Advisory Client and other investment vehicles affiliated with Arrowroot), consulting (including consulting and retainer fees, salaries, bonuses, guaranteed minimums and other compensation or expense reimbursements paid to, and benefits or personnel costs (including employee benefits, payroll taxes, insurance, paid time-off and other office space) provided to, or on behalf of, the Operations Group or any of its members, consultants performing investment initiatives or providing services related to environmental, social and governance (“ESG”) investment considerations and policies and other consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services); (viii) reverse breakup, termination and other similar arrangements; (ix) insurance, including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions) and any consultants, data providers or other advisors utilized in the procurement, review, maintenance and analysis of insurance; (x) filing, title, transfer, survey registration and other similar activities; (xi) printing, communications, mailing, courier, marketing and publicity; (xii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with investors, any other administrative, compliance or regulatory filings or reports (including Form PF, Bureau of Economic Analysis Reports and any filings or reports contemplated by the AIFMD or any similar law, rule or regulation), or other information, including costs of any third-party service providers and professionals related to the foregoing; (xiii) compliance with any Foreign Account Reporting Requirements, including, without limitation, FATCA and the OECD Standard for Automatic Exchange, and any costs of any third-party service providers and professionals related to the foregoing; (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, website, extranet tools, computer software (including accounting, investor tracking, investor reporting, ledger systems, financial management and

cybersecurity) or other administrative or reporting tools (including subscription-based services) for the benefit of the Advisory Client or the investors; (xv) any activities with respect to protecting the confidential or non-public nature of any information or data (including any costs incurred in connection with data protection laws or Freedom of Information Act requests); (xvi) to the extent provided in the Partnership Agreement, or otherwise approved by Arrowroot, activities or proceedings of the Advisory Board (including any reasonable out-of-pocket costs incurred by representatives of the respective general partner, the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board); (xvii) indemnification (including legal and any other costs incurred in connection with indemnifying any investor or other person pursuant to the Partnership Agreement and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xviii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xix) any annual, periodic or special meeting of the investor, any other conference, meeting or webcast or other video conference with any investor(s) (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, gifts, honorarium, events or speakers and other meeting or conference-related costs) and any other activities necessitated by and incidental to the Advisory Clients' global investor base, in each case to the extent incurred by the Advisory Client, Arrowroot or any other affiliate of Arrowroot; (xx) except as otherwise determined by Arrowroot, any cost relating to any alternative investment vehicle or its activities, business, Portfolio Companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be an Advisory Client expense or organizational expense if it were incurred in connection with the Advisory Client, and any costs incurred in connection with the formation, management, operation, termination, winding up, liquidation, structuring, restructuring and dissolution of any feeder vehicles related to the Advisory Clients to the extent not paid by the investors investing in such entities and any other costs related to any structuring or restructuring of any alternative investment vehicle, Portfolio Company or Portfolio Company of any alternative investment vehicle; (xxi) the termination, liquidation, winding up, structuring, restructuring or dissolution of the Advisory Clients, the general partners, any entities owned directly or indirectly by the Advisory Client (including Portfolio Companies) and related entities; (xxii) defaults by investors in the payment of any capital contributions; (xxiii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Advisory Clients, the respective general partner and related entities and any alternative investment vehicle of the Advisory Clients, including the preparation, distribution and implementation thereof; (xxiv) (A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto, and any regulatory costs of Arrowroot or any of its affiliates incurred in connection with the operation of the Advisory Clients and any costs related to compliance with any ESG or other investment considerations and policies applicable to the Advisory Clients, Arrowroot and/or any of their respective affiliates and/or (B) the validation or other conformation of any payments made to the Advisory Clients or the respective general partner (including pursuant to or otherwise in connection with any anti-money laundering laws, rules or regulations); (xxv) any litigation or governmental inquiry, investigation or proceeding involving the Advisory Clients, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Partnership Agreement; (xxvi) any consultants, experts or advisors engaged, including independent appraisers engaged by Arrowroot in connection with the Advisory Client considering, making, holding or disposing of, directly or indirectly, an investment in the same person as one or more other investment vehicles (other than

the Advisory Client) managed or controlled by Arrowroot or any of its affiliates; (xxvii) unreimbursed costs incurred in connection with any transfer or proposed transfer by an investor or any investor's name change, internal restructuring or change in trust, registered agent or custodian; (xxviii) any taxes, fees and other governmental charges levied against the Advisory Clients and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the Advisory Clients and any costs of or related to the "partnership representative" of the Advisory Clients or the "designated individual"; (xxix) distributions to the investors and other expenses associated with the acquisition, holding and disposition of the investors' investments, including extraordinary expenses; (xxx) unreimbursed and unpaid costs of the Operations Group or its members, employees or other persons engaged by the Operations Group; (xxxi) compliance or regulatory matters related to the Advisory Clients, including compliance with the Partnership Agreement (including most favored nations processes) and/or any side letter or similar agreement; (xxxii) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of Arrowroot or any of their respective affiliates or any Portfolio Company personnel or consultants (including members of the Operations Group) at any meeting, conference or training program (including those hosted by Arrowroot or its affiliates), including any applicable registration costs and exhibition, sponsorship or other presentation costs; (xxxiii) all costs and expenses associated with operating a Feeder Fund which invests all or substantially all of its assets in an Advisory Client, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such Feeder Fund's financial statements, tax returns and Feeder Fund limited partner reports, but not including any income-based or similar taxes, fees or other governmental charges levied against such Feeder Fund; (xxxiv) any travel (including air travel (including, where appropriate as determined by Arrowroot, the cost of using private aircraft or other private air travel at a cost above the cost of first class commercial airfare if Arrowroot determines in good faith that substantially similar first class (or equivalent) commercial air travel is unavailable, not feasible or unsafe), ground transportation (including car service) and incidental travel expenses) and lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxv) developing, structuring, maintaining, operating and winding up administrative structures in non-U.S. countries that are put in place to facilitate the investment activities of the Advisory Clients (including the salary and benefits of any personnel reasonably necessary for the maintenance of such structures, other overhead, rent and similar costs in connection therewith); (xxxvi) any of the items listed in clauses (i) through (xxxv) above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful, whether undertaken prior to the initial closing date or otherwise and/or that may have been offered to co-investors (including co-investors' proportionate share of any costs and expenses related to an investment or other opportunity not consummated); (xxxvii) any organizational expenses; (xxxviii) any placement fees; and (xxxix) any other costs approved by the Advisory Board.

The Advisory Clients will reimburse their general partners and affiliates for the Advisory Clients' and its affiliated entities' organizational and startup expenses (as further set forth in the respective Governing Documents), including travel, meals and entertainment, printing, legal, capital raising, accounting, regulatory compliance, (including the initial compliance contemplated by the EU Alternative Investment Fund Managers Directive or any similar law, rule or regulation), any administrative or other filings, and other organizational expenses. Certain of the Advisory Clients' general partners will bear the cost (through an offset against the management fee or otherwise) of all such organizational expenses in excess of a certain threshold, if any, and of any placement fees payable to any placement agent in connection with the formation of the Advisory Clients.

Timing of Payments

In the case of the Arrowroot Funds, management fee payments are generally due quarterly in advance. In the case of the Arrowroot SPVs, management fee payments are generally due in advance on the initial contribution date or investment date. Please refer to the Advisory Clients' Governing Documents for more complete information on the timing of advisory fee payments.

Investors in an Advisory Client may not withdraw from an Advisory Client prior to dissolution, and may not transfer any of their interests in the Advisory Client without the prior written consent of Arrowroot or the applicable Advisory Affiliate. The management fee obligation of an Advisory Client generally may be terminated only in connection with the dissolution of that Advisory Client. Pursuant to the Governing Documents, in the event of an early termination of an Advisory Client, a pro-rated portion of the management fees paid in advance of the fiscal period in which such termination occurs would be returned to the applicable Advisory Client.

Transaction-Based Compensation

Certain Advisory Affiliates may receive transaction fees. The management fee for certain of the Advisory Clients will be reduced by an amount equal to 100% of transaction fees attributable to limited partners not designated as affiliated partners by the Advisory Affiliates. "Transaction Fees" include 100% of any: (i) directors' fees, financial consulting fees or advisory fees paid to the Advisory Affiliate with respect to any Advisory Client investment, but only to the extent such fees exceed a minimum per annum with respect to any such investment (or are received after the tenth anniversary of the final closing date (in the case of Fund V); (ii) transaction fees paid to the Advisory Affiliate with respect to any Advisory Client investment; and (iii) break-up fees with respect to Advisory Client transactions not completed that are paid to the Advisory Affiliate, in each case net of certain expenses as set forth in the Governing Documents; but not including in any event, any amount received by the Advisory Affiliate, the operations group or other person from a Portfolio Company: reimbursement for expenses directly related to a Portfolio Company, as payment for services provided to any Portfolio Company in the ordinary course of such Portfolio Company's business, as compensation for services provided by the Advisory Client or other person as an employee of or in a similar capacity for such Portfolio Company or as compensation, including fees, incentive equity or other stock awards, for services rendered by the operations group (or a member thereof) to a Portfolio Company or prospective Portfolio Company. Various costs and expenses will reduce the Transaction Fees (and therefore such amounts will not reduce the management fee), including out-of-pocket costs and expenses (including travel expenses) incurred by certain of the Advisory Affiliates in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees. Arrowroot may have an incentive to recommend securities or investment products based on compensation received by related persons, rather than on the needs of the Advisory Clients.

Investors are requested to refer to the Governing Documents of the Advisory Clients for more complete information on any such engagements and any conflicts of interest they present.

It is critical that Investors refer to the relevant Governing Documents for a complete understanding of how Arrowroot is compensated, a complete understanding of the Advisory Clients' expenses and their withdrawal rights. The information contained herein is a summary only and is qualified in its entirety by such documents.

Item 6 - Performance-Based Fees and Side-by-Side Management

Arrowroot and its investment personnel provide investment management services to multiple Advisory Clients. As described in Item 5, Advisory Affiliates may receive performance-based compensation from Advisory Clients. Currently, all Advisory Clients are charged a performance-based fee.

The possibility that an Advisory Affiliate may receive Carried Interest creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such performance-based distributions.

Arrowroot has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with different fee arrangements. Arrowroot reviews investment decisions for all Advisory Clients on a regular basis in order to ensure that all accounts with substantially similar investment objectives are treated equitably. In addition, Arrowroot has implemented an investment allocation policy and reviews its allocations to ensure that they are made in a manner that is fair and equitable to all Advisory Clients (as described in Item 11). Further, Investors are provided with clear disclosure as to how performance-based distributions are charged with respect to the Advisory Clients and the risks associated with such performance-based distributions prior to making an investment.

Item 7 - Types of Clients

Types of Clients

Arrowroot provides advice to pooled investment vehicles, including the Advisory Clients.

Minimum Investment Requirements

With respect to the Arrowroot Funds, any initial and additional subscription minimums are disclosed in the relevant Governing Documents. With respect to the Arrowroot SPVs, Arrowroot determines the minimum investment amounts on a case-by-case basis with each Arrowroot SPV. In general, such Arrowroot SPVs involve significant minimum investments.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Arrowroot is a growth equity firm exclusively focused on structured equity investments in enterprise software companies. Arrowroot generally targets attractive risk-adjusted returns by seeking to provide transitional capital to what it views as healthy, growing SaaS companies with significant, recurring sales and customer validation that it believes are under-resourced and need capital for growth-related initiatives. Arrowroot typically leads or co-leads all of its investments and targets opportunities sourced on a proprietary basis. The firm's investment and operating professionals have strong backgrounds with SaaS investments, and Arrowroot seeks to add significant value to its Portfolio Companies through growth initiatives and operational improvements.

Investment opportunities are typically identified by: (i) employing top-down market evaluations to map out growth areas of interest; (ii) conducting bottoms-up market evaluations to build out long-term relationships with companies across all verticals and stages; and (iii) leveraging the network of its team of investment and operating professionals.

Arrowroot seeks to provide transitional capital to what it views as healthy, growing SaaS companies that have weak capital bases. By partnering with and incentivizing management teams, Arrowroot seeks to make investments in these types of SaaS companies at compelling valuations. The typical Arrowroot Portfolio Company has often received previous funding but has existing owners/investors that are unable or unwilling to inject the capital necessary for expansion. Arrowroot believes that there is generally a pronounced underinvestment in sales and marketing in these companies, which is the key driver of revenue for SaaS businesses. Arrowroot believes the artificially slow top-line growth minimizes interest from potential acquirers and provides Arrowroot with opportunities to align with management and invest in securities with the potential downside protection described above while maintaining upside potential.

Arrowroot has built a proprietary and growing database of more than 15,000 SaaS companies to augment the investment team's relationships and drive potential proprietary deal flow. In addition, Arrowroot typically targets significant ownership stakes in the Portfolio Companies in which it invests. Arrowroot seeks to play an active role in its Portfolio Companies to seek to drive value and has at least one board seat at each of its current Portfolio Companies.

Arrowroot deal teams are typically staffed with three investment professionals led by a Partner. Arrowroot believes it employs a thorough and methodical due diligence process, progressing through four phases of increasing scrutiny: (i) initial screening; (ii) preliminary investigation; (iii) exclusivity; and (iv) closing. An operations group is also utilized to provide additional due diligence on the target company. Operating professionals continue to work with the Portfolio Companies post-transaction. Additionally, Arrowroot may utilize third-party professionals and advisors to assist with highly specialized diligence concerns as necessary (e.g., technical evaluations, intellectual property matters, tax and audit issues, etc.).

Material Risks

An investment in the Advisory Clients involves a significant degree of risk. There can be no assurance that the Advisory Clients' targeted rates of return will be achieved or that there will be any return of capital. The environment for private equity investments is increasingly competitive

and an Investor should only invest in the Advisory Clients if the Investor can withstand the liquidity constraints of an investment in the Advisory Client and a total loss of its investment.

No guarantee or representation is made that the Advisory Clients' investment program will be successful. The following are some of the material risks associated with an investment in the Advisory Clients:

No assurance of investment return. The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that Arrowroot will be able to choose, and the Advisory Clients will be able to make and/or realize any particular investment or that the Advisory Clients will be able to generate returns for their Investors. In addition, there can be no assurance that any Investor will receive any distribution from an Advisory Client. Investing in the Advisory Clients involves a risk of loss that Investors should be prepared to bear. Investors should refer to the Governing Documents of the applicable Arrowroot Fund for more complete information on investment strategies employed and the corresponding risks associated with such investment strategies.

Business Risks. Arrowroot's investment portfolio may consist primarily of securities issued by privately held unseasoned companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Concentration of Investments. Advisory Clients will participate in a limited number of investments and intend to make most of their investments in one industry or one industry segment or within a short period of time. As a result, any Advisory Client's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect such Advisory Client's aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, an Advisory Client may invest in fewer Portfolio Companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing transactions is highly competitive and involves a high degree of uncertainty. It is possible that an Advisory Client will never be fully invested if enough sufficiently attractive investments are not identified. However, Investors will be required to bear Management Fees through the Advisory Client during the Investment Period based on the entire amount of the Commitments and other expenses as set forth in the Governing Documents.

Early-Stage and Venture Capital Investments. Advisory Clients may make venture capital investments and may invest in early-stage companies which have inherently greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. Although many early-stage companies, and the venture capital industry in general, have experienced growth over several years, there is no guarantee that such growth will continue, and investments in such companies may be more volatile and there may be a relatively limited number of investments, including SaaS investments, available to the Advisory Clients. Some early-stage and venture capital funded companies recently have been impacted by lower valuations, and investments in such companies may become more difficult to exit. In particular, the lack of an active initial public offering market can hurt valuations of venture capital investments and discourage new investment in the venture capital sector and limit Portfolio Company exit

opportunities for the Advisory Clients. There is no assurance that such investments will be successful.

Illiquidity; Lack of Current Distributions. An investment in the Advisory Clients should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Advisory Client (including the Management Fee payable to the General Partner) may exceed income, thereby requiring that the difference be paid from the Advisory Client's capital, including unfunded Commitments.

Leveraged Investments. The Advisory Clients may make use of leverage by incurring or having a Portfolio Company incur debt to finance a portion of their investment in a given Portfolio Company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both an Advisory Client's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by an Advisory Client will also result in interest expense and other costs to the Advisory Client that may not be covered by distributions made to the Advisory Client or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of Portfolio Companies will increase the exposure of an Advisory Client's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Advisory Client's investments in the leveraged Portfolio Companies in a down market. In the event any Portfolio Company cannot generate adequate cash flow to meet its debt service, the Advisory Client may suffer a partial or total loss of capital invested in the Portfolio Company, which could adversely affect the returns. Furthermore, should the credit markets be limited or costly at the time an Advisory Client determines that it is desirable to sell all or a part of a Portfolio Company, the Advisory Client may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Advisory Clients will invest generally will not be rated by a credit rating agency. The Advisory Clients may also borrow money or guaranty indebtedness (such as a guaranty of a Portfolio Company's debt). The use of leverage by an Advisory Client also will result in interest expense and other costs to the Advisory Client that may not be covered by distributions made to the Advisory Client or appreciation of its investments. The Advisory Clients may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent an Advisory Client incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by Advisory Client Investors and such Investors' contributions may be required to be made directly to the lenders instead of the Advisory Client.

Non-U.S. Investments. The Advisory Clients may invest in Portfolio Companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other

things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Advisory Client), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Advisory Client and/or the Investors with respect to the Advisory Client's income, and possible non-U.S. tax return filing requirements for the Advisory Client and/or the Investors.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Advisory Clients. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees.

Risks Inherently Associated with Technology Companies. Technology companies, including SaaS companies, often face specific risks which the Advisory Clients will also be exposed to by concentrating its investment strategy in such companies. Such risks typically include: (1) rapidly changing science and technologies; (2) new competing products and improvements in existing products which may quickly render existing products or technologies obsolete; (3) scarcity of management, technical, scientific, research and marketing personnel with appropriate training; (4) the possibility of lawsuits related to patents and other intellectual property and their associated rights; and (5) rapidly changing investor and/or consumer sentiments and preferences with regard to the technology sector. Many potential Portfolio Companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that the Advisory Clients or a Portfolio Company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a Portfolio Company's technologies. Piracy may adversely affect Portfolio Company revenue and its impact on revenue from outside the U.S. may particularly be significant in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent protection of intellectual property rights. Reductions in the legal protections for software intellectual property rights could also adversely affect Portfolio Companies.

Non-controlling Investments. The Advisory Clients may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Advisory Clients at times may hold minority equity stakes of any size such as might occur if Portfolio Companies are taken public. As is the case with minority holdings in general, such minority stakes that an Advisory Client may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where an Advisory Client holds a minority stake, it may be more difficult for the Advisory Client to liquidate its interests than it would be had the Advisory Client owned a controlling interest in such company. Even if the Advisory Client has contractual rights to seek liquidity of the Advisory Client's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Advisory Client, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Need for Follow-On Investments. Following its initial investment in a given Portfolio Company, an Advisory Client may decide to provide additional funds to such Portfolio Company or may have the opportunity to increase its investment in a successful Portfolio Company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that an Advisory Client will make follow-on investments or that an Advisory Client will have sufficient funds to make all or any of such investments. Any decision by an Advisory Client not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a Portfolio Company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Advisory Client to increase its participation in a successful Portfolio Company or the dilution of the Advisory Client's ownership in a Portfolio Company if a third-party invests in such Portfolio Company.

Investment Losses Due to Force Majeure. All portfolios are subject to the risk of loss arising from exposure that they may incur, directly or indirectly, due to the occurrence of various force majeure events (i.e., events beyond the control of Arrowroot and its affiliates, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including an Advisory Client, Arrowroot, their affiliates, a portfolio company or a counterparty to an Advisory Client) to perform its obligations until the force majeure event is remedied. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which an Advisory Client may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets (which could be without adequate compensation), could result in a loss. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by an Advisory Client in assuming these risks and, depending on the size of the loss, could significantly adversely affect the return of an Advisory Client.

Special Purpose Acquisition Companies. Certain Arrowroot Funds may acquire, along with employees of Arrowroot or its affiliates and other persons and entities, an interest in one or more SPAC Sponsors, which interests may include an indirect ownership of warrants and "founders shares" in a SPAC. Each SPAC Sponsor is expected to be controlled by employees of Arrowroot or its affiliates. Each SPAC Sponsor will form, sponsor, manage and control a SPAC. Each SPAC will register its shares with the SEC in an initial public offering and use the funds raised in such offering to effect a business combination and operate thereafter as a public company.

A SPAC Sponsor will have the incentive to find a target company if a SPAC has a successful initial public offering. A SPAC Sponsor and its affiliates may present to any SPAC, and a SPAC may pursue, and otherwise consummate, any investment opportunities deemed appropriate by a SPAC Sponsor or any of its affiliates, in their sole discretion, including investment opportunities that may otherwise be appropriate for the Arrowroot Funds, although it is expected that a SPAC generally will seek investment opportunities requiring larger equity investments. In the event that a SPAC does not complete a business combination within the post-offering period set forth in its governing documents, the proceeds raised in the offering and held in trust are to be returned to the public shareholders. There can be no assurance or guarantee that any SPAC will be able to acquire an

interest in any entity or consummate an investment, and in such case a participating Arrowroot Fund is not expected to receive a return of all amounts paid in connection with such SPAC. If, following a SPAC's initial public offering, the funds held in a SPAC's trust account are insufficient to allow it to operate until it consummates its initial business combination, a SPAC will depend on loans from a SPAC Sponsor or its management team (which management team will include employees of Arrowroot or its affiliates) to fund its search for a business combination, to pay income taxes, if any, and to complete its initial business combination. If such SPAC is unable to complete its initial business combination within a stipulated time period, it will be forced to cease operations and liquidate, and any loans it received will not be repaid.

Financial Institution Risk; Distress Events. An investment in an Advisory Client is subject to the risk that one of the Advisory Clients' banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Advisory Clients' assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Arrowroot, the Advisory Clients and/or their Portfolio Companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Item 9 - Disciplinary Information

Arrowroot and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

Item 10 - Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

None of Arrowroot or its management persons are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Arrowroot and its management persons are not affiliated with any broker-dealer, bank or other financial services firm.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

None of Arrowroot or any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

The Advisory Affiliates are related persons of Arrowroot and serve as general partners to the Advisory Clients. In connection therewith, the Advisory Affiliates maintain investments in the Advisory Clients and provide investment management and administrative services to the Advisory Clients.

As described in Item 6, the Advisory Affiliates are entitled to receive performance-based profit distributions from the Advisory Clients, which may in certain circumstances create a conflict of interest, as described in Item 6 above.

As described elsewhere in this Brochure, Arrowroot typically targets significant ownership stakes in the Portfolio Companies in which it invests. Arrowroot seeks to play an active role in its Portfolio Companies to seek to drive value and as such, Arrowroot's management persons will have board positions with Portfolio Companies. Arrowroot does not believe these relationships create a material conflict of interest.

Additionally, please note that Advisory Affiliates may receive transaction fees in connection with services provided to Portfolio Companies. The management fee for certain of the Advisory Clients will be reduced by an amount equal to 100% of transaction fees (to the extent such transaction fees surpass \$150,000 net of certain expenses as set forth in the Governing Documents) attributable to limited partners not designated as affiliated partners by the Advisory Affiliates. For additional information, please see Item 5.

Selection or Recommendation of Other Advisers

Arrowroot does not recommend or select other investment advisers for its clients or receive compensation from such advisers in a manner that would create a material conflict of interest. Arrowroot does not have other business relationships with other advisers that create a material conflict of interest.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Arrowroot has adopted a Code of Ethics (the “Code”) under Rule 204A-1 of the Advisers Act expressing Arrowroot’s commitment to ethical conduct. Arrowroot’s Code describes its fiduciary duties and responsibilities to its Advisory Clients, and sets forth Arrowroot’s (i) policies on receipt of gifts by employees and campaign contributions and (ii) practice of monitoring the personal securities transactions of supervised persons with access to client investment recommendations. Under the Code, all supervised personnel have a duty to act only in the best interests of the Advisory Clients and all potential conflicts and violations of the Code must be promptly reported to Arrowroot’s Chief Compliance Officer (“CCO”). All supervised personnel must acknowledge the terms of the Code annually, or as amended.

To supervise compliance with its Code, Arrowroot requires that anyone associated with its advisory practices with access to advisory recommendations provide initial and annual securities holdings reports and quarterly transaction reports to the firm’s CCO in accordance with Advisers Act Rule 204A-1. Arrowroot also requires such “access persons” to also receive approval from the CCO prior to investing in any initial public offerings, initial coin offering or private placements. The CCO or a designated person, reviews Access Persons’ personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

Arrowroot requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. Arrowroot’s Code also includes the firm’s policy prohibiting insider trading and the use of material non-public information to trade in securities. Any individual not in observance of the above may be subject to discipline or termination.

Arrowroot will provide a complete copy of its Code to any person upon request.

Participation or Interest in Client Transactions; Personal Trading

As detailed in Item 10 above, the Advisory Affiliates are related persons of Arrowroot and serve as general partners to the Advisory Clients. In connection therewith, the Advisory Affiliates also commit capital to the Advisory Clients, and as a result every investment made by an Advisory Client involves a purchase of securities whereby related persons of Arrowroot indirectly acquire an indirect interest in such securities. Arrowroot’s Access Persons also maintain investments directly in certain of the Advisory Clients. The fact that Advisory Affiliates and Access Persons have financial interests in the Advisory Clients could create a potential conflict in that it could cause Arrowroot to make different investment decisions than if such parties did not have such financial ownership interests. However, Arrowroot believes that these financial interests align Arrowroot’s and the Advisory Affiliates’ incentives with those of the Investors.

As noted in Item 4, Arrowroot also manages several SPV’s that were formed to invest in a single Portfolio Company or to co-invest with, or invest parallel to, the Arrowroot Funds. Participation in the Arrowroot SPVs was offered to existing Investors, Arrowroot employees, and key persons, as well as outside parties pursuant to the terms of the applicable limited partnership agreement.

As further described in Item 6 above, from time to time, more than one multi-investment Advisory Client may invest in the same or similar securities issued by the same Portfolio Company. Arrowroot SPVs have participated in the same Portfolio Company investments as one or more multi-investment Advisory Clients. The nature of this arrangement may provide Arrowroot with an incentive to allocate particularly attractive investment opportunities to an Advisory Client that is expected to generate greater carried interest, or to an Arrowroot SPV in which Arrowroot or its related persons have a greater interest, or to permit that Advisory Client to exit investments at a time that would maximize its returns, potentially to the detriment of the other Advisory Clients. However, Arrowroot has practices, procedures and policies to avoid such allocations. This conflict is mitigated by the fact that Arrowroot and the Advisory Affiliates seek to ensure that all investments made by Advisory Clients and SPVs are fairly and equitably allocated based on the facts and circumstances. Further, Arrowroot allocates investment opportunities among its Advisory Clients in a fair and equitable manner that is permissible under the respective Advisory Client agreements and consistent with Arrowroot's allocation policies and procedures. As needed, the respective Fund advisory boards will be consulted regarding allocations when there is a perceived conflict of interest or otherwise.

Arrowroot may receive certain advisory fees, director's fees, break-up fees or other similar fees in connection with portfolio investments of the Advisory Clients as compensation for financial advisory and similar services provided by them to the Portfolio Companies. Payment of such fees may create a conflict of interest because it could create an incentive for Arrowroot or an Advisory Affiliate to cause an Advisory Client to invest its capital in a company that will pay such a fee to Arrowroot or its affiliates. Arrowroot works to mitigate such potential conflicts of interest. As described in Item 5 above, for certain of the Advisory Clients, the management fee will be reduced by an amount equal to 100% of Transaction Fees attributable to Investors not designated as "affiliated partners" by the Advisory Affiliate serving as general partner of the respective Arrowroot Fund. Transaction Fees include 100% of any: (i) directors' fees, financial consulting fees or advisory fees paid to the Advisory Affiliate with respect to any Advisory Client investment, but only to the extent such fees exceed a minimum per annum with respect to any such investment (or are received after the tenth anniversary of the final closing date (in the case of Fund V); (ii) transaction fees paid to the Advisory Affiliate with respect to any Advisory Client investment; and (iii) break-up fees with respect to Advisory Client transactions not completed that are paid to the Advisory Affiliate, in each case net of certain expenses as set forth in the Governing Documents; but not including, in any event, any amount received by the Advisory Affiliate, the operations group or other person from a Portfolio Company (A) as reimbursement for expenses directly related to such Portfolio Company, (B) as payment for services provided to any Portfolio Company in the ordinary course of such Portfolio Company's business, (C) as compensation for services provided by the Advisory Affiliate or other person as an employee of or in a similar capacity for such Portfolio Company or (D) as compensation, including fees, incentive equity or other stock awards, for services rendered by the operations group (or a member thereof) to a Portfolio Company or prospective Portfolio Company. Arrowroot further mitigates this conflict of interest by negotiating such fees at arm's length with such Portfolio Company and generally seeking to ensure that such fees are, in the good faith opinion of Arrowroot, in accordance with prevailing market rates in the relevant industry. Arrowroot does not take into consideration whether a Portfolio Company will pay Arrowroot or its affiliate a services fee when making an investment determination.

As described in Item 6, Arrowroot or the Advisory Affiliates receive management fees and performance-based profit distributions from the Advisory Clients. The management fees are payable without regard to the overall success or income earned by the Advisory Clients and therefore may create an incentive on the part of Arrowroot to raise or otherwise increase capital commitments to a higher level than would be the case if Arrowroot were receiving a lower or no

management fee. Performance-based profit distributions may create an incentive for Arrowroot or the Advisory Affiliates to make investments that are riskier or more speculative than in the absence of such performance-based profit distributions.

In addition to the foregoing, Arrowroot seeks to address the above conflicts through regular monitoring of the Advisory Clients' portfolios for consistency with objectives, strategies, and target capacity. Further, Arrowroot carefully considers the risks involved in any investments and Arrowroot provides extensive disclosure to Investors regarding the potential risks that come with an investment with Arrowroot. As stated above, the Code provides guidelines for identifying and addressing conflicts of interest and requires Access Persons to place the interests of the Advisory Clients above their own or those of Arrowroot, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

In addition, Arrowroot's Advisory Clients will typically have an advisory board consisting of representatives of certain Investors in the respective Advisory Client. The advisory boards advise and counsel Arrowroot and the Advisory Affiliates on issues relating to conflicts of interest and matters specifically set forth in the limited partnership agreements.

Arrowroot's Access Persons are permitted to make certain securities transactions in their Personal Accounts. In an effort to prevent inappropriate securities transactions by Arrowroot's personnel, the CCO will maintain and make available a list of restricted securities. The restricted securities list will be updated periodically and will include: (i) the firm's Portfolio Companies, (ii) any issuer of securities that such employee has reason to know has a material relationship with any employee of Arrowroot or with any Portfolio Company, or (iii) any security of any issuer that an Advisory Client is considering an investment in (whether or not any such issuer's securities are privately or publicly traded). Access persons are strictly prohibited from trading on their own behalf in these restricted securities without obtaining the prior written approval of the CCO. All such investments require approval of the CCO, which approval would only be granted once any associated conflicts of interest are adequately addressed and remedied.

Arrowroot enforces the foregoing policy and manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code.

Except to the extent prohibited by the Governing Documents, Arrowroot and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto.

Item 12 - Brokerage Practices

Discretionary Brokerage

The Advisory Clients invest primarily in the Portfolio Companies, which are not-publicly traded, although they may acquire, sell or distribute publicly-traded securities on occasion (for example, where an Advisory Client receives shares of a company as part of a general distribution or initial public offering). When selecting private placement opportunities, Arrowroot believes it satisfies its best execution responsibilities through careful negotiation of the terms of the investment. With respect to those limited instances in which the Advisory Clients purchase or sell or distribute publicly traded securities through a broker-dealer, Arrowroot will seek to satisfy its best execution obligation by considering all relevant facts and circumstances, including the price and size of the order, the trading characteristics of the securities involved, the value of the research provided by each broker, the broker's execution abilities commission rates, and financial responsibility and responsiveness.

Research and Soft Dollar Benefits

Arrowroot does not have any soft dollar arrangements with respect to securities transactions for the Advisory Clients.

Brokerage and Client Referrals

Arrowroot does not consider referrals of Investors to the Advisory Clients in determining its selection of broker dealers or other third parties.

Trade Aggregation

Although Arrowroot does not currently trade in public securities, in such circumstances where more than one Advisory Client is either selling or buying the same type of security, Arrowroot will, to the extent possible, generally place a combined order for two or more Advisory Clients engaged in the purchase or sale of the same security if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the participating Advisory Clients' Governing Documents, and otherwise in the best interest of the Advisory Clients.

Arrowroot recognizes that, as a fiduciary, it has a duty to allocate investment opportunities among its Advisory Clients in a fair and equitable manner. The Advisory Clients have overlapping investment programs and may participate in the same investments. If Arrowroot determines that it would be appropriate for more than one Advisory Client to participate in an investment opportunity, Arrowroot will seek to allocate the investment opportunity to all the participating Advisory Clients on a fair and equitable basis.

Item 13 - Review of Accounts

Review of Advisory Client Accounts

The accounts of the Advisory Clients are under periodic review by the Managing Partner and Partners. The Partners are supported by Arrowroot's team of investment professionals that have sourced, negotiated, structured, financed, managed and realized investments. Such reviews include a review of investment policy, the suitability of the investments used to meet policy objectives, and investment objectives. Arrowroot considers, among other things, investment performance, the portfolio's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

Reports to Advisory Clients

Investors in the Arrowroot Funds will receive the following written reports (i) audited financial statements annually commencing with the first year in which it makes an investment, (ii) unaudited financial statements for the first three quarters of each fiscal year and (iii) annual tax information necessary for each Investor's U.S. tax returns. Investors in the Arrowroot SPVs will receive the following written reports (i) audited financial statements annually, and (ii) annual tax information necessary for each Investor's U.S. tax returns.

Investors are requested to refer to the Governing Documents of each Advisory Client for further information on the reports provided by a particular Advisory Client to its Investors.

Item 14 - Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

In connection with investments made by the Advisory Clients, Arrowroot may receive certain advisory fees, director's fees, break-up fees or other similar fees in connection with portfolio investments of the Advisory Clients as compensation for financial advisory and similar services provided by them to the Portfolio Companies. Payment of such fees may create a conflict of interest because it could create an incentive for Arrowroot or an Advisory Affiliate to cause an Advisory Client to invest its capital in a company that will pay such a fee to Arrowroot or its affiliates. Arrowroot works to mitigate such potential conflicts of interest. As described in Item 5 above, for certain of the Advisory Clients, the management fee will be reduced by an amount equal to 100% of Transaction Fees attributable to Investors not designated as "affiliated partners" by the Advisory Affiliate serving as general partner of the respective Arrowroot Fund. Transaction Fees include 100% of any: (i) directors' fees, financial consulting fees or advisory fees paid to the Advisory Affiliate with respect to any Advisory Client investment, but only to the extent such fees exceed a minimum per annum with respect to any such investment (or are received after the tenth anniversary of the final closing date (in the case of Fund V); (ii) transaction fees paid to the Advisory Affiliate with respect to any Advisory Client investment; and (iii) break-up fees with respect to Advisory Client transactions not completed that are paid to the Advisory Affiliate, in each case net of certain expenses as set forth in the Governing Documents; but not including, in any event, any amount received by the Advisory Affiliate, the operations group or other person from a Portfolio Company (A) as reimbursement for expenses directly related to such Portfolio Company, (B) as payment for services provided to any Portfolio Company in the ordinary course of such Portfolio Company's business, (C) as compensation for services provided by the Advisory Affiliate or other person as an employee of or in a similar capacity for such Portfolio Company or (D) as compensation, including fees, incentive equity or other stock awards, for services rendered by the operations group (or a member thereof) to a Portfolio Company or prospective Portfolio Company. Arrowroot further mitigates this conflict of interest by negotiating such fees at arm's length with such Portfolio Company and generally seeking to ensure that such fees are, in the good faith opinion of Arrowroot, in accordance with prevailing market rates in the relevant industry. Arrowroot does not take into consideration whether a Portfolio Company will pay Arrowroot or its affiliate a services fee when making an investment determination. Investors are requested to refer to the Governing Documents for complete information on the additional compensation received by Arrowroot or its affiliates or supervised persons in connection with a particular Advisory Client's investments and the methodology used to calculate the applicable advisory fee offset.

Third Party Compensation for Client Referrals

As of the date of this Brochure, Arrowroot has entered into a placement agent arrangement pursuant to which it compensates a third party for referrals that result in a potential investor becoming a limited partner in Fund V. Arrowroot will pay the placement agent a fixed retainer fee and a fundraising fee based on a percentage of gross commitments to certain of the Advisory Clients made by certain investors, subject to limits and exceptions outlined in such placement agent arrangement. Fund V will reimburse the organizational and startup expenses incurred by the placement agent, including travel (including air travel, ground transportation (including car service) and incidental travel expenses), meals, lodging and entertainment), other meals and entertainment, printing, mailing, courier, legal, capital raising, branding, marketing, public relations, accounting, regulatory compliance (including expenses associated with the initial registrations, filings, compliance and other offering obligations contemplated by the AIFMD or any similar law, rule or regulation), any administrative or other filings, and other organizational expenses, subject to a cap.

Item 15 - Custody

Pursuant to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), Arrowroot is deemed to have custody of the assets held by the Advisory Clients because affiliates of Arrowroot serve as the general partners of the Advisory Clients.

To ensure compliance with the Custody Rule, Arrowroot will ensure that the Advisory Clients are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (“PCAOB”) and that the audited financial statements of each Advisory Client will be prepared in accordance with generally accepted accounting principles and distributed to Investors within 120 days of the end of each Advisory Client’s fiscal year. Investors should carefully review the audited financial statements of the Advisory Clients upon receipt, and should compare these statements to any account information provided by Arrowroot.

As Arrowroot’s investment program primarily involves investments in privately offered securities, Arrowroot generally will be exempt from the requirement that securities be maintained with a “qualified custodian.” Arrowroot anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer’s outstanding securities.

To the extent that Arrowroot holds any publicly traded securities or securities which are otherwise ineligible for an exemption from the qualified custodian requirement of the Custody Rule, Arrowroot will maintain such securities with a qualified custodian in an account in the name of the Advisory Client or in accounts that contain only funds and securities owned by the Advisory Clients, under Arrowroot’s name as agent or trustee for the Advisory Clients.

Item 16 - Investment Discretion

Arrowroot has discretionary authority to manage the Advisory Clients. Arrowroot is authorized to make purchase and sale decisions for the Advisory Clients. As explained in Item 4, individual Investors in the Advisory Clients do not have the ability to impose limitations on Arrowroot's discretionary authority. Prospective Investors in the Advisory Clients are provided with an offering memorandum and/or limited partnership agreement prior to their investment and are encouraged to carefully review the offering memorandum, along with all other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors in the Arrowroot Funds must also execute a subscription agreement, which constitutes a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms. Further, prospective Investors in the Advisory Clients must also execute a limited partnership agreement.

Item 17 - Voting Client Securities

As Arrowroot's investment strategies focus on private equity investments, it does not expect that it will have occasion to receive any proxy voting requests on behalf of its Advisory Clients. Arrowroot has adopted policies and procedures in the event that it receives a request from issuers to vote proxies relating to the securities of such issuers held in the portfolios of the Advisory Clients which reflect Arrowroot's commitment to vote all Advisory Client securities for which it exercises voting authority in a manner consistent with the best interest of its Advisory Clients.

Arrowroot and its Advisory Affiliates understand and appreciate the importance of proxy voting. Arrowroot reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the Advisory Client. Prior to exercising the firm's proxy voting authority, the appropriate investment professionals, in consultation with senior professionals, the CCO and outside counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of Arrowroot, its owners, its employees or its affiliates, with persons having an interest in the outcome of the vote. If a conflict is identified, such individuals will then make a determination (which may be in consultation with outside legal counsel or compliance consultants) as to whether the conflict is material or not. If a conflict is material, the Advisory Affiliate will determine what course of action is in the best interests of the Advisory Client (which may include utilizing an independent third party to vote such proxies).

As a result, depending on the Advisory Client's particular circumstances, Arrowroot may vote one Advisory Client's securities differently than it votes those of another Advisory Client, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, Arrowroot may determine that it is in the Advisory Client's best interest to "abstain" from voting or not to vote at all, and will do so accordingly.

Arrowroot keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each client request for proxy voting records and the Advisory Affiliate's response for the previous five years.

Investors generally do not have the ability to direct proxy votes. Arrowroot will promptly deliver to each client upon written request a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable Advisory Clients.

Item 18 - Financial Information

Not Applicable.