

## **Form ADV Part 2A – *Firm Brochure***

### **Item 1 – Cover Page**

#### **Realization Capital Partners Management LLC**

Mailing Address:  
325 Sharon Park Drive, Suite 324  
Menlo Park, California, 94025  
<https://www.realicap.com/>  
650-229-8736

Date of Firm Brochure: March 2024

---

This disclosure brochure provides information about the qualifications and business practices of Realization Capital Partners Management LLC (also referred to as Realization Capital Partners Management, we, us and the firm throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Mick Remondino at 415-706-3535 or [mremondino@realicap.com](mailto:mremondino@realicap.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Realization Capital Partners Management is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Realization Capital Partners Management LLC, by name, or our firm's CRD number, 304264.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Realization Capital Partners Management is a registered investment adviser and this disclosure brochure dated March 2024 is the second disclosure brochure prepared by our firm. In the future, this item will discuss only specific material changes that are made to the disclosure brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of this disclosure brochure.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes, as necessary.

### Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	5
Item 6 – Performance-Based Fees and Side-By-Side Management .....	6
Item 7 – Types of Clients .....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 – Disciplinary Information .....	12
Item 10 – Other Financial Industry Activities and Affiliations .....	13
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	13
Item 12 – Brokerage Practices .....	14
Item 13 – Review of Accounts .....	14
Item 14 – Client Referrals and Other Compensation .....	15
Item 15 – Custody .....	15
Item 16 – Investment Discretion .....	15
Item 17 – Voting Client Securities .....	16
Item 18 – Financial Information .....	16

## Item 4 – Advisory Business

Realization Capital Partners Management (the “Manager”) is an investment adviser registered with the United States Securities and Exchange Commission (SEC) and is a limited liability company formed under the laws of the State of Delaware. We began operations in March 2019 and are based in the San Francisco Bay Area. We filed our initial application to become registered as an investment adviser in November 2022. Prior to that time, we relied on the Private Fund Adviser exemption to full registration and filed an Exempt Reporting Adviser (ERA) report with securities regulators. Jason Donahue is the owner and Managing Member of Realization Capital Partners Management.

### **Description of Advisory Services**

Realization Capital Partners Management serves as investment adviser to clients that are pooled investment vehicles which are managed by affiliated manager or general partner entities. The pooled investment vehicles currently are not, and will not be, registered as investment companies in reliance on an exemption from registration under the Investment Company Act of 1940, as amended, and the securities of which will be offered and sold in reliance on an exemption from registration under the Securities Act of 1933, as amended.

As of the date of this Brochure, we provide advisory services to the General Partners (“GPs”) of Realization Capital Partners I, L.P. and Realization Capital Partners II, L.P. (referred to collectively as the “Private Funds”).

Companies affiliated with Realization Capital Partners Management serve as the sponsor and General Partner of the Private Funds. Thus, Realization Capital Partners Management is not independent of the Private Funds.

See also Item 10 – *Other Financial Industry Activities and Affiliations*, Item 11 – *Participation in Client Transactions and Personal Trading* and Item 16 – *Custody* of this brochure for more information.

Each Private Fund’s investment objectives and other characteristics are set forth in the Private Placement Memorandum (“PPM”), Limited Partnership Agreement (“LPA”), and/or any other governing documents provided to investors in such Private Fund (“Investors”). We will tailor the advisory services for each Private Fund based on each Private Fund’s investment objective and investment strategy. We do not tailor advisory services to the individual Investors.

The following are descriptions of our advisory services. A written agreement, which details the exact terms of the service, must be executed by each Private Fund, its associated General Partner entity, and Realization Capital Partners Management before we can provide the services described below.

### **Overview**

The Manager’s services can best be described as providing investment advice and other advisory services to private funds (directly or through their affiliated GP entities) that are established for investment in the private equity / venture capital market with a focus on technology-related investments. We strive to select investments to achieve attractive long-term capital growth. We make both secondary and primary direct investments from under \$1 million to \$100 million in companies ranging in revenue from under \$10 million to \$1 billion in partnership with management, owners, and controlling shareholders. These transactions can include acquiring existing minority stakes from other venture capital and private equity firms, leading or joining primary rounds, or effecting buyouts and recapitalizations. We often focus on providing liquidity for shareholders whose time frames don’t align with those of the majority shareholders.

**Types of Investments**

We describe our firm as an opportunistic, fundamentals-based investor seeking significant discounts to intrinsic value in high potential, privately held, growing software and technology companies. More specifically, we specialize in direct and portfolio secondaries as well as select primary capital special situations which align with our value-oriented approach and risk-adjusted underwriting objectives.

Private equity is an alternative investment class that invests in or acquires private companies that are not listed on a public stock exchange. Generally speaking, private equity funds invest in private companies or engage in buyouts of public companies. Institutional and retail investors provide the capital for private equity, and the capital can be utilized to fund new technology, make acquisitions, expand working capital, and bolster and solidify a balance sheet.

Please see Item 8 – *Methods of Analysis, Investment Strategies and Risk of Loss* for more information.

**Tailor Advisory Services to Individual Needs of Clients**

We do not currently have individual, natural-person clients or institutional, company-clients. We serve as the investment adviser to affiliated Private Funds (through their affiliated General Partner entities) and have no other clients. All management and investment decisions regarding our Private Funds is based on the individual fund objectives, strategies and policies. We are responsible for all major investment decisions including, without limitation, amending or changing an individual Private Fund's investment objective; determining investment strategies; and establishing and implementing investment policies or limitations.

**Assets Managed by Realization Capital Partners Management**

As of September 30, 2023, we managed \$477,469,017 in Private Fund assets.

**Item 5 – Fees and Compensation**

All Investors and prospective Investors in the Private Funds should review the relevant PPM, LPA, and / or other governing documents in conjunction with this Brochure for further information regarding fees and compensation or expenses. The following is subject in its entirety to the information provided in such Fund offering documents. Lower fees for comparable services may be available from other sources.

**Fees**

Private Funds pay an annual management fee based on the Private Fund's invested capital or capital commitments. The fee is between 1.00% to 2.00% annually on capital commitments or capital invested in portfolio positions during the investment period of the Private Fund. The precise amount of, and the manner and calculation of, the management fees for each Private Fund are established by its General Partner and are set forth in such Private Fund's organizational documents. The management fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by the respective General Partner in its sole discretion, both voluntarily and on a negotiated basis with selected investors, which may not be disclosed to other investors in the same Private Fund. The fee structures described herein may be modified from time to time. Fees may differ from one Private Fund to another, as well as among investors in the same Private Fund. The annual management fee is charged on a quarterly basis.

All fees are deducted directly from the respective Private Fund. Each Private Fund will set forth its specific fee structure in its applicable PPM or similar documents/disclosures.

In addition to the annual management fee, our affiliated companies that serve as general partners of the Private Funds also receive a performance-based fee as described below in Item 6 – *Performance Based Fees and Side-by-Side Management*.

### **Expenses**

Private Funds will incur other expenses (in addition to the fees paid to Realization Capital Partners Management as described above and the performance-based fee described in Item 6 – *Performance-Based and Side-by-Side Management* below).

The General Partner of the Private Fund will subcontract administrative services for the Private Fund to the Manager, and the Manager will pay all of its own normal operating expenses incidental to the provision of the day-to-day administrative services to the Private Fund, including its own overhead. As appropriate, third-party costs will be charged to portfolio properties. Private Funds will pay all costs, expenses and liabilities in connection with its organization (subject to limitations in each Private Fund's governing documents) and operations, including: fees, costs and expenses related to the purchase, holding and sale of portfolio investments (to the extent not reimbursed), taxes, fees and expenses of accountants and counsel, regulatory compliance expenses, costs and expenses of annual meetings; management fees; litigation expenses, and other extraordinary expenses. Private Funds also bear third-party expenses incurred in connection with transactions not consummated.

### **Termination of Services**

Our Private Fund management services will be terminated automatically in the event that a Private Fund is dissolved or terminated. In addition, services may be terminated in their entirety by the General Partner (or equivalent) of a Private Fund at any time within the specified advance notice period outlined in our management agreement. In the event services are terminated, we will receive a pro-rated final fee charged, based on the number of days services are provided during the final billing period.

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

Realization Capital Partners Management's affiliated companies serving as general partners and sponsors of the Private Funds will be allocated a profit's (or carried) interest ranging between 15% and 20% in the Private Funds following an 8% preferred return and return of invested capital to Investors.

Each Private Fund will set forth its specific performance-based compensation structure in its applicable PPM, LPA, and / or investment management agreement.

Generally speaking, the Private Funds maintain for each Investor a capital account that is adjusted to reflect the performance-based carried interest or allocation, the management fee and other Fund expenses, capital contributions, and other similar changes during the term of the particular Fund.

The nature of a performance-based fee arrangement poses an opportunity for our affiliated general partner (and therefore our Company) to earn more income than through our stand-alone asset-based fee (as described in *Item 5 – Fees and Compensation of this Disclosure Brochure*).

There are other potential conflicts associated with this arrangement that are not as common under an asset-based fee arrangement. The nature of this arrangement can encourage unnecessary speculation to increase the amount of profits retained by our company. Although riskier investments could yield higher returns to a Private Fund, they historically have a higher chance of losing value. Also, because

our affiliates are allocated a significant portion of a Private Fund's profits, the profits interest arrangement could give us an incentive to time transactions in the Private Fund to achieve the best performance allocation possible. However, given the illiquid nature of investments held in each Private Fund, opportunities to time transactions are unlikely.

Performance-based fee arrangements may create an incentive for us to make investments which may be riskier or more speculative. Such fee arrangements also can create an incentive to allocate investments to higher fee-paying Funds, however, this conflict only arises where two or more Private Funds with capital available for investment have the overlapping investment profiles and the potential investments are suitable for two or more of these Funds. We generally charge the same (or similar) management fee and performance fee to Private Funds we manage that regularly invest on a side-by-side basis.

We do not represent that the amount of profits interests retained by is or will be consistent with other private pooled investment vehicle arrangements. The percentage of profits retained may be higher or lower than the fees charged and profits retained by other fund managers for the same or similar services.

Performance-based compensation is charged in accordance with provisions under applicable federal and state securities laws regulating such compensation.

Specifically, performance-based fee arrangements of Realization Capital Partners Management will comply with Section 205(e) of the Investment Advisers Act of 1940. According to Section 205(e) (see Rule 205-3 thereunder), only natural-person investors meeting the SEC's definition of "qualified clients" may enter into agreements providing for performance-based compensation to Realization Capital Partners Management. A natural person or company must meet the following conditions to be considered a qualified client:

- Invest at least \$1,100,000 in one or more private funds managed by Realization Capital Partners Management; **or**
- Either have a net worth of \$2,200,000 or be a qualified purchaser under Section 2(a)(51)(A) of the Investment Company Act.

## **Item 7 – Types of Clients**

Currently, our Private Funds include Realization Capital Partners I, L.P. and Realization Capital Partners II, L.P.

Investors in the Private Funds can include:

- multi-family offices, family offices and high net worth individuals;
- governmental plans, state pension and permanent funds, sovereign wealth funds;
- private retirement plans, corporate pensions, multi-employer pensions;
- financial institutions and other institutional clients; and
- foundations, endowments and other charitable organizations.

We generally will require a minimum commitment from each Investor as set forth in the applicable PPM, though we reserve the right to waive this minimum on a case-by-case basis. Investors in the Private Funds must be sophisticated in financial matters and be "accredited investors" as defined in Regulation D under the Securities Act of 1933, as amended. Investors in Realization Capital Partners II, L.P. must all be qualified purchasers, a higher standard than required in Regulation D under the Securities Act of 1933.

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

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

We seek to generate venture-like returns but with a goal of offering improved downside protection, targeting a more attractive risk return profile as compared to venture, private equity, or traditional secondary strategies. Realization aims to achieve this through the acquisition of senior preferred or other equity, often at discounts to original cost, and structured equity or debt instruments in businesses which it looks to recapitalize. We then endeavor to take an active role working with many of our larger portfolio company positions, specifically aiming to create value by helping these companies to optimize financial and operational performance and ultimately prepare for a change-of-control transaction (strategic sale, sale to a financial buyer, or IPO).

We primarily employ three strategies to make investments at what we deem to be material discounts to intrinsic value, often driven by exogenous stresses experienced by specific shareholders or misalignment of a company's cap table with its current level of performance:

- **Direct secondaries:** We look to acquire, often at a discount, direct ownership positions in software and technology businesses from existing shareholders looking for liquidity for reasons unrelated to financial performance of the underlying portfolio companies. In targeting direct secondaries, we typically seek situations where specific shareholders need liquidity in older investment positions due to fund life issues (as often occurs with older Venture Capital funds), lack of strategic alignment (as can occur with strategic investors and corporate venture capital firms), and orphaned investments (for example, if an investment partner departs a firm and the investment no longer has a champion).
- **Secondary portfolio transactions:** We also look to acquire secondary portfolios of direct ownership positions in software and technology businesses from shareholders aiming to divest assets in bundle transactions. For these transactions, we generally anchor around larger holdings in which we often endeavor to take an active role, and will typically aim to price the smaller holdings at nominal values. We have, in certain cases, found that in portfolio transactions it is often possible to acquire larger positions at greater discounts than if we were to acquire these individually. Additionally, the smaller positions can create option value for our Private Funds in that we monitor these positions for opportunities to take larger and more active roles in these portfolio companies.
- **Structured special situation primary recapitalizations:** In situations where technology companies have gone through or are currently undergoing successful business model pivots after having failed to execute on prior strategies, these businesses may have previously raised financing rounds at valuations above and inconsistent with actual performance based on a fundamentals-based analysis. In these cases of capital structure misalignment, we may seek to recapitalize these businesses through structured primary financing transactions which provide us with an opportunity to invest new capital, often with strong downside protection and at terms highly favorable relative to prior invested equity. Further, the business may have well developed technology from high levels of prior investment. In these situations, we will endeavor to work closely with the portfolio company management teams to grow revenue, improve efficiency,

optimize go-to-market activities, and ultimately prepare for realization transactions such as a sale to a strategic or financial acquirer.

**Risks Associated with our Methods of Analysis and Investment Strategies**

The success and failure of our investment strategies, research, analysis and determination of holdings will affect the value of investments.

Private Funds under our management and the underlying companies we hold within those Private Funds involve a high degree of risk and Investors must have sufficient economic resources to bear the economic risk of the complete loss of their investments.

In addition, we do not guarantee that any due diligence efforts we conduct will reveal all critical risks associated with selected investment opportunities. We do not undertake responsibility for or work with Investors regarding allocation of their assets between private equity investments and other, more traditional securities.

An investment in the Private Funds is a long-term commitment, and there is no assurance of any distribution to an Investor. Nearly all investments held by our Private Funds and indirectly by Investors will be illiquid and Private Funds and Investors must be prepared to hold these investments indefinitely. Illiquid means that the investments can be difficult to sell and a Private Fund's ability to dispose of such investments in a timely manner and at an advantageous price may be limited.

Private securities and investment funds generally involve various other risk factors, a complete discussion of which is set forth in each Private Fund's offering documents, which will be provided to each prospective Investor for review and consideration.

**Primarily Recommend One Type of Security and Associated Risks – Private Equity**

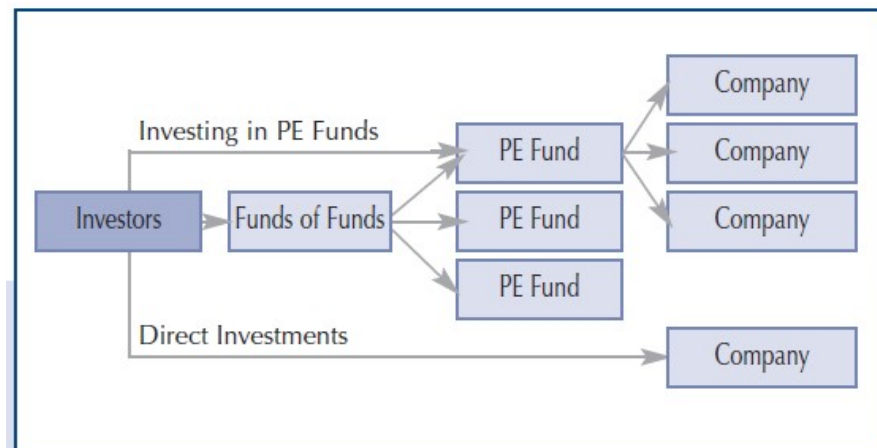
As previously stated in Item 4 – *Advisory Services*, Realization Capital Partners Management has registered as an investment adviser because it advises private equity funds. When managing the Private Funds, we will focus on “acquisition” and “development” of private companies.

Private Funds under our firm's management will not have registered pursuant to the Securities Act of 1933, and therefore the investor will need to complete a subscription agreement showing the investor is an “accredited” investor (as defined by applicable law and rules and regulations) and / or a qualified purchaser as determined by the sponsor and acknowledge that he or she has read and understands the Private Funds' offering documents and is aware of the various risk factors associated with such an investment.

✓ **General Definition of Private Equity and Risks Specific to Private Equity**

Private Equity (“PE”) invests in private companies. PE investing may broadly be defined as “investing in securities through a negotiated process”. The majority of PE investments are in unquoted companies. PE investment is typically a transformational, value-added, active investment strategy. It calls for a specialized skill set which is a key due diligence criterion for investors' assessment of a manager. The processes of buyout and venture investing call for different application of these skills as they focus on different stages of the life cycle of a company. Venture capital is a type of PE focused on start-up companies. PE investing is often divided into broad categories of (1) seed, (2) start-up, (3) expansion, (4) replacement capital, and (5) buyout.

There are different ways of investing in PE. The investor can invest directly into a private company, invest into a PE Fund, or invest into a PE Fund of Funds. The level of diversification decreases and the risk of default increases from left to right in the chart depicted here.



#### ✓ *Risks of Investments in a Private Equity Fund / Fund of Funds*

An investment in a PE Fund or PE Fund of Funds is subject to risks including, but not limited to the following:

- At the time of the commitment the fund has not commenced operations and, accordingly, has no operating history on the basis of which potential investors may evaluate its likely performance.
- The success of the fund depends upon the ability of the manager to identify, select, make, and realize appropriate investments. There is no guarantee that suitable portfolio investments will be secured or that they will be successful.
- Currently there is no liquid market for the interests in PE Funds or PE Fund of Funds and no such market is expected to develop in the future. Therefore, the interests may not be easily transferable. Investors will be committed to the fund for a prolonged period and will normally be unable to withdraw from the fund.
- Investments in unquoted companies can be difficult to realize and will generally involve a higher degree of risk than investments in companies whose securities are publicly traded.
- Changes in economic conditions, such as rising interest rates, changes in exchange rates, economic downturns, and deterioration in a portfolio investment's industry sector, may occur during the life of the fund, which may have an adverse effect on its investments. In a worst case this may even lead to a total loss of the investment.
- Some funds may not be required by law to provide periodic pricing or valuation information to investors.
- The valuation of a PE fund and its investments as provided by funds' managers is based on available industry standards. While such standards aim at giving a true and fair picture of the value of the fund's assets at any point in time, the real market value of a private equity investment is determined only upon exiting such investment. As most PE funds are required to provide quarterly reports within 40 to 90 days after the end of each quarter only, there occurs a significant time lag in valuations.
- Investments in PE funds may involve complex tax structures and delays in distributing important tax information.
- PE funds are not subject to the same regulatory requirements as mutual funds, often charge high fees, and in many cases the underlying investments are not transparent and are known only to the investment manager.

- Some funds may use leverage and engage in a substantial degree of speculation that may increase the risk of investment loss.
- Not meeting capital call obligations, which the investor assumed through his commitment to the fund, may lead to forfeiture of an investor's interest in the fund, or to penalty charges in the case of late payment.

✓ *Risks of direct investments in private companies*

Direct investments in private companies are highly speculative and involve significant risks including but not limited to:

- Entering any transaction may result in the return of less than your original investment, or even a total loss of the investment
- Illiquidity of investment
- Possible lack of diversification
- Financial market fluctuations
- Financial leverage risk
- Control issues
- Economic, political, legal and currency risks
- Possible lack of operating history
- Risks in connection to accuracy of financial reporting

**Risk of Loss**

Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Private Funds managed by Realization Capital Partners Management and their Investors should be prepared to bear investment loss, including loss of original investment.

Because of the inherent risk of loss associated with investing in any type of securities, Realization Capital Partners Management is unable to represent, guarantee, or even imply that its services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

In addition to carefully reading the risk factors detailed in each Fund's Private Placement Memorandum, other important risk factors include:

- Company Risk – There is always a certain level of company or industry-specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company is accused of violation law and regulations or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Market Risk – The markets, as a whole, could collapse resulting in a decrease in the value of Private Fund investments. This is also referred to as systemic risk.
- Risks of Private Placements - A security exempt from registering with the U.S. Securities and Exchange Commission and state securities regulator is often referred to as a private placement or unregistered offering.

- Only an “accredited” investor should invest in a private placement offering. To qualify as “accredited” investor, the investor must (a) have a net worth (not including primary residence) of at least \$1 million, or (b) have an income exceeding \$200,000 in each of the 2 most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year.
- Private placement offerings often are speculative, high risk and illiquid investments. An investor can lose his or her entire investment in a private placement offering.
- Private placement offerings are not subject to same laws and regulations, which are designed to protect investors, as registered securities offerings.
- Private placement offerings have not been reviewed by a regulator to make sure risks associated with the risks of private placement investment have been adequately disclosed to prospective investors.
- Private placement offerings often project higher rates of return, but this is typically because the risks of the underlying the private placement investment are also higher.
- Private placement offerings are generally illiquid, meaning there are limited opportunities to resell the underlying security of the private placement. Therefore, an investor may be forced to hold the private placement security indefinitely.
- Investors in a private placement offering are usually provided with less disclosure information than they would receive in a public securities offering. Consequently, investors know much less about the private placement investment and the people behind it.
- Private placement offerings have been used by fraudsters in the past, and consequently private placement offerings are one of the most frequent sources of enforcement cases conducted by state securities regulators. It may be difficult or impossible for an investor in a private placement offering to recover the money invested from the sponsor of the private placement offering if such offering turns out to be fraudulent.
- Before investing in a private placement offering, an investor should carefully read and fully understand the subscription agreement and the offering memorandum/private placement memorandum.
- For additional details about private placement offerings and red flags associated with such offerings, please visit [http://www.sec.gov/oiea/investor-alerts-bulletins/ib\\_privateplacements.html#.VDane410yUk](http://www.sec.gov/oiea/investor-alerts-bulletins/ib_privateplacements.html#.VDane410yUk)

### **Item 9 – Disciplinary Information**

Item 9 is not applicable to this Brochure because neither Realization Capital Partners Management nor any of its employees or affiliates have been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Realization Capital Partners Management is not and does not have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, and a real estate broker or dealer.

### **Affiliated General Partners**

As detailed in Item 4 – Advisory Business, we have affiliated companies that serve as general partners and sponsors to the Private Funds we manage. The affiliated companies serving as general partners include the following.

- Realization Capital Partners GP I, LLC
- Realization Capital Partners GP II, LLC

These entities, through intermediate subsidiaries, are under common control (i.e. ownership) with Realization Capital Partners Management. Thus, we are not independent from the Private Funds we manage and have a direct and beneficial interest in them. Further, some of our advisory personnel have personally invested in Private Funds under our management.

We do not have individual, retail clients and do not work with Private Fund Investors on an individual basis to provide advice regarding their personal investments. Thus, we do not recommend, advise or even discuss private funds not under our management that may be more suitable for an individual Investor or that may be performing better than the Private Funds under our management.

Please refer to Item 5 – Fees and Compensation and Item 6– Performance-Based Fees and Side-By-Side Management for a description of the material financial interest we have in the Private Funds we manage and the potential conflicts of interest.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

As an investment advisor, Realization Capital Partners Management has established a Code of Ethics. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each client at all times. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers Insider Trading and Personal Securities Transactions Policies and Procedures. We are committed to conducting business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided. Business and investor dealings will be honest, ethical and fair. We attempt to avoid or at least disclose all circumstances that might negatively affect or appear to affect our duty of loyalty to clients and Investors of the Private Funds we manage. This disclosure is provided as a summary of our Code of Ethics. However, if you would like to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

To align their personal interests with those of the Manager's managed Funds, some of the other advisory personnel of Realization Capital Partners Management have invested a portion of their investable assets in the Manager's managed Private Funds. An advisory person with an interest in one Private Fund may

have a conflict of interest to allocate more favorable investment opportunities to that Private Fund over other Private Fund accounts.

Realization Capital Partners Management, our affiliated companies and our employees may buy or sell investment holdings for our/their personal interest that are also held by the Private Funds; provided, however, neither the firm, any affiliated company nor any employee may directly or indirectly engage in any activity which jeopardizes the firm's ability to render unbiased investment advice. The Private Funds will be given priority over our affiliated companies, and employees' personal interests in the investment when investments are being considered by the Manager for the Private Funds.

To minimize and mitigate conflicts of interest, the firm has adopted certain policies and procedures, including, restrictions on the firm, its affiliated companies, and its employees from having priority over, or trading ahead of, Private Funds in the purchase or sale of investments. We have also developed policies and procedures to ensure restrictions on the firm and our employees from trading on material non-public information. Employees (including all partners, officers and directors) must attain pre-approval from our Chief Compliance Officer when personally investing (purchasing or selling units) in one of our Private Funds and prior to holding or selling investments also held in our Funds.

### **Item 12 – Brokerage Practices**

This item does not generally apply to us because we do not recommend, purchase or sell securities through brokerage platforms. The investments made by our Private Funds generally do not require the use of a broker/dealer. In the unlikely event that a brokerage platform is required in connection with the purchase and/or sale of securities by Private Funds we manage, we will have authority to select a particular broker/dealer when needed.

In the unlikely event that a brokerage platform is required, we have a duty to select broker/dealers based on the best interest of each Private Fund. In this regard, the primary factor in selecting a broker/dealer is that the services of the broker/dealer are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer selected must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors determined when selecting a broker/dealer.

1. Realization Capital Partners Management does **not** receive any research or soft-dollar benefits from a broker/dealer.
2. Realization Capital Partners Management does **not** recommend or select broker/dealers based on receiving client referrals from broker/dealers. The firm does not receive any client referrals from broker/dealers.
3. Realization Capital Partners Management does **not** require the use of a particular broker/dealer.

### **Item 13 – Review of Accounts**

Our internal investment professionals, Jason Donahue, Managing Member; Kevin Iudicello, Partner Officer, Jared Furutani, Principal, Cody Kase, Principal, and Christine Garver, Associate are ultimately responsible for making investment decisions with the assistance of the firm's Investment Committee & Advisory Board Members.

Periodic reviews of Private Fund portfolio positions are made on at least a monthly basis and more frequently when investment in or disposition of an investment is being considered. We provide the following reports to Investors in the Private Funds:

On an annual basis:

- Audited financial statements of the Private Funds.
- Tax information for the completion of tax returns.

On a quarterly basis:

- Reports detailing new investments made. Such reports will also provide details of current holdings and other general matters of investment opportunities.
- Capital account statements.

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

Realization Capital Partners Management does not directly or indirectly compensate any person for client referrals.

Compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 5 and Item 6 of this Brochure.

#### **Item 15 – Custody**

Our affiliated companies serve as general partners of the Private Funds we manage and as such have access to Private Fund assets and holdings. To comply with SEC custody rules, the Private Funds we manage are annually audited by a Public Company Accounting Oversight Board (PCAOB) registered and inspected independent accounting firm. The audited financial statements are distributed to all Investors within 120 days of year end.

Investors need to carefully review those statements and are urged to compare the audited financial statements against reports received from the Private Funds. When investors have questions about statements or other reports, they should contact us or the fund administrator preparing the statement.

#### **Item 16 – Investment Discretion**

Realization Capital Partners Management maintains discretionary authority over the funds held by the Private Funds to select investment opportunities on a privately negotiated basis. We will have the authority to determine the type of companies and investments to be bought or sold for fund portfolios. Our discretionary authority will be granted in the investment management agreement between Realization Capital Partners Management and the Private Fund and any limitations on our authority will be in that agreement or the applicable PPM.

As noted elsewhere in this Brochure, the investment strategy of the Private Funds is set forth in detail in such Private Fund's PPM, LPA, and / or similar documents. Prospective Investors are provided with the LPA and/or PPM (or similar documents/disclosures) prior to their investment and are encouraged to carefully review these documents (or similar documents/disclosures) and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors must

also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, prospective Investors must execute a limited partnership agreement of the Private Fund.

#### **Item 17 – Voting Client Securities**

Although the investments made by our firm generally do not issue proxies or distribute other voting measures, we are responsible for voting any such issues on behalf of Private Funds under our management. When we recognize a conflict of interest with respect to the voting of proxies on behalf of a Private Fund, we will request that the Investors in the Private Fund, or a committee represented by such Investors, assist with voting. When we vote proxies, the objective is to maximize the value of the investments held in Fund portfolios. A copy of our proxy voting policies and procedures is available upon request.

#### **Item 18 – Financial Information**

This Item 18 is not applicable to this brochure. Realization Capital Partners Management does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance of rendering services. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Realization Capital Partners Management has not been the subject of a bankruptcy petition at any time.