



Delta-v Capital

# **Delta-v Capital, LLC**

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This Brochure provides information about the qualifications and business practices of Delta-v Capital, LLC (the “Adviser” or “Delta-v”). If you have any questions about the contents of this Brochure, please contact the Adviser at 303-405-7565. 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. The Adviser may refer to itself as a “registered investment adviser” which does not imply a certain level of skill or training. Additional information about the Adviser is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Delta-v Capital, LLC filed its first Form ADV Part 2A Brochure on July 7, 2015. Since that time, the Adviser reports the following material change:

- ◆ Effective July 11, 2015, Delta-v Capital, LLC (the “Adviser” or “Delta-v”) is registered with the United States Securities and Exchange Commission (“SEC”) as an investment adviser.
- ◆ The Adviser has entered into arrangements with an unaffiliated placement agent to secure Fund interests in at least one pooled investment vehicle. See Item 14 – *Client Referrals and Other Compensation* for more information.

Delta-v has prepared this Form ADV Part 2A Brochure in accordance with disclosure obligations imposed upon registered investment advisers. The Adviser will deliver to its clients at no charge a summary of all material changes to this Brochure, if any, within 120 days of its fiscal year end or more often if necessary.

Clients or prospective clients may request a copy of the Adviser’s current Brochure at any time by contacting Kyle Rogers, Chief Financial Officer and Chief Compliance Officer, by telephone at (303) 405-7565 or by email at [kyle@deltavcapital.com](mailto:kyle@deltavcapital.com). Additional information about the Adviser is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **IMPORTANT NOTE ABOUT THIS BROCHURE**

***This Brochure is not:***

- ◆ ***An offer or agreement to provide advisory services to any person.***
- ◆ ***An offer to sell interests (or a solicitation of an offer to buy interests) in any Fund advised by the Adviser (as defined in this disclosure).***
- ◆ ***A complete discussion of the features, risks or conflicts associated with any Fund advised by the Adviser.***

*As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), the Adviser provides this Brochure to current and prospective clients. The Adviser may also, in its discretion, provide this Brochure to current or prospective investors in certain Funds, together with other relevant offering materials, such as the Fund’s private placement memorandum, prior to, or in connection with, such persons’ investment in such Funds.*

*Although this Brochure describes the investment advisory services of the Adviser, persons who receive this Brochure (whether or not from the Adviser) should be aware that it is designed solely to provide information about the Adviser as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant offering materials.*

*More complete information about each Fund advised by the Adviser is included in relevant offering materials which may be provided to current and eligible prospective investors only by the Adviser or its authorized agents. If there is any conflict between information conveyed in this disclosure document and that conveyed in any offering materials, the information contained in the relevant offering materials shall be deemed to govern and control.*

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## Item 4 – Advisory Business

### The Company

Delta-v Capital, LLC (the “Adviser” or “Delta-v”) is a private growth equity firm. The Adviser, headquartered in Boulder CO, with offices in Dallas TX, was formed in July 2009 to make minority secondary and select primary investments in high-growth later stage technology companies. Portfolio acquisitions target private companies with respect to venture capital, private equity or mezzanine investments through secondary, recapitalization, consolidation or special situation transactions. The Adviser is owned and managed by the investment team of David Schaller and Rand Lewis (together, the “Founding Principals”) who own the company 50%/50% and have worked together in the private growth equity market since 2004. All investment decisions require the unanimous approval of the Founding Principals.

Effective July 11, 2015 Delta-v is an investment adviser registered with the SEC. This Brochure has been prepared by the Adviser to illustrate the advisory services that it provides, the fees charged, and other information about its advised funds. The Adviser provides investment management services exclusively to private growth equity funds that are pooled investment vehicles exempt from registration under the Investment Company Act of 1940, as amended (“Investment Company Act”).

### The Funds

Delta-v Capital, LLC has invested across six funds to date: Delta-v Capital 2009 (“Fund I”), Delta-v Capital 2011 and Delta-v Capital Access Fund, LP (collectively “Fund II”), Delta-v Capital 2015 and Delta-v Capital 2015 Access Fund, LP (collectively “Fund III”), and Delta-v Capital MRH, LP, a Special Purpose Vehicle (“SPV”) formed to invest in a single portfolio company.

The Adviser’s services are provided pursuant to a management agreement with the General Partner of each of Fund I, Fund II, Fund III, and SPV (collectively, “the Funds”). Affiliate entities of the Adviser serve as General Partners of the Funds. As of December 31, 2016, the Adviser has \$385,360,000 in total Regulatory Assets under Management, \$294,379,000 of which are discretionary<sup>1</sup> and \$90,981,000 are non-discretionary. The Adviser manages Delta-v Capital Access Fund, LP and Delta-v Capital 2015 Access Fund, LP on a non-discretionary basis insofar as one or more Limited Partners have veto rights with regard to each investment in the applicable Fund.

### Advisory Services

The Adviser tailors its advisory services to the specific investment objectives and restrictions of each Fund pursuant to the investment guidelines and restrictions set forth in each Fund’s

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<sup>1</sup> The Adviser does not have ultimate investment discretion with respect to the assets of any Fund, as such discretion is retained by the applicable general partner of each Fund.

confidential private placement memorandum, limited partnership agreement and other governing documents (collectively, the “Governing Documents”). Information about each Fund and the particular investment objectives, strategies, restrictions and risks associated with an investment are described in the Governing Documents, which are made available to investors only through the Adviser and its authorized agents.

The Funds are offered exclusively to individuals who qualify as “accredited investors” under Regulation D promulgated under the Securities Act of 1933, as amended (the “1933 Act”), and/or “qualified purchasers” as defined under Section 2(a)(51) of the Investment Company Act and are therefore not required to register as investment companies with the SEC in accordance with the exemptions set forth in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. Investment strategies and guidelines are not tailored to the individualized needs of any particular investor in a Fund. Once invested in a Fund, an investor cannot impose restrictions on the types of securities in which such Fund may invest, with the exception of the veto rights of certain Limited Partner investors in Delta-v Capital Access Fund and Delta-v Capital 2015 Access Fund, LP. Investments in the Funds involve significant risks and should be regarded as long-term in nature, forming only one portion of an investor’s diversified investment portfolio.

### Market Focus

Delta-v is defined as the total ‘effort’ required to change from one trajectory to another. Delta-v uses the vitality of its capital, experience, and creativity to offer liquidity solutions for tired shareholders, thus enabling private companies to achieve a higher trajectory of growth and success. Target portfolio companies have fully formed management teams and strong governance. Their business models are typically mature with broad customer bases, proven technology, and significant operating histories and momentum. Target companies have multiple identifiable potential acquirers and, ideally, a market size that is large enough to justify an initial public offering in the future. The Adviser focuses its investment activity in the United States.

The Funds mainly invest in non-public companies, although they may invest in public companies subject to any limitations set forth in the applicable Fund’s Governing Documents. Each Fund may also hold public company investments as a result of a sale of all or a portion of the Fund’s investments in a portfolio company, such as when a portfolio company goes public or is sold to a public company and the Fund receives stock. Portfolio company public stock may be restricted and thus may require the Adviser to liquidate securities over time.

The average size of each Fund investment approximates \$5 million, although investments will range from \$2 million as a starting point to as much as \$20 million over time. The Funds consider only investments in portfolios of private company stock assets, primary growth equity investments, and follow-on purchases in an existing portfolio company. The majority of Fund capital is placed through secondary purchases, with the remainder invested in recapitalizations, consolidations, and other special situations.

### Portfolio Company Board Participation

As a general rule, the personnel of the Adviser do not assume directorship, managerial or other executive positions within or on behalf of portfolio companies consistent with a Fund's minority stake in such companies. However, in certain cases, a Principal of the Adviser or its affiliate entities may serve on a portfolio company board of directors with voting rights or observer rights, or otherwise act to influence the management of the company until the applicable Fund exits the investment.

## **Item 5 – Fees and Compensation**

### **Fees and Compensation**

The Adviser generally charges a quarterly advisory fee (the “management fee”) in advance as described in relevant Governing Documents. Fees and other compensation paid by a Fund to the Adviser may vary from Fund to Fund and may be different from the fees and compensation payable in respect of any successor fund. Investors should carefully review the Governing Documents of the relevant Fund in conjunction with this Brochure for complete information about fees and compensation. Similar advisory services may be available from other investment advisers for similar or lower fees.

Management fees are initially derived from capital commitments assigned to the Limited Partner investors in a Fund. The management fee will subsequently “step down” either on the basis of committed capital or the net invested capital of the Fund beginning with the first fiscal quarter commencing on or after the earlier to occur of either (a) the expiration of the investment period or (b) the first date on which any management fee is paid by a successor Fund having aggregate capital commitments equal to or greater than the current Fund's committed capital. A Fund's investment period, specified within Governing Documents, is the limited period in which a Fund is permitted to enter into new investments (ranging anywhere from 2-6 years from the anniversary of the final Fund closing). Capital commitments may be drawn down after the conclusion of the investment period to fund follow-on investments, management fees and operating expenses.

### **Performance Fees**

In addition to the payment of ongoing management fees, a Fund (and indirectly the Limited Partner investors) is also required to pay the General Partner of the Fund, an affiliate of the Adviser, performance fees based upon a percentage of a Fund's return on invested capital. For additional details about such performance-based compensation, please refer to Item 6 – *Performance-Based Fees and Side-by-Side Management*.

Management fees, performance-based compensation, and/or any other compensation payable to the Adviser or its affiliates by a Fund are generally negotiated with the Fund or its underlying Limited Partner investors and may depend on, among other factors, the amount of capital committed to the Fund.

### **Waiver of Management Fees**

The General Partner will generally commit a minimum of 1% of committed capital to a Fund. The Adviser may opt to waive a portion of its management fee and instead have Limited Partner investors contribute a portion of the General Partner's capital commitment to the Funds. The Adviser will not assess management fees on the General Partner's and affiliated Limited Partners' portion of the Fund's committed capital but will share in distributions related to the amount contributed by the Limited Partners on its behalf. The Adviser retains the right to reduce the management fee due from a Limited Partner investor at its discretion.

#### Brokerage Expenses

In the process of exiting investments, the Funds may hold minority equity stakes in public companies if portfolio holdings are taken public. When deemed prudent by the Adviser, and when any selling restrictions are lifted, public portfolio holdings may be sold in the public securities market or distributed to Limited Partners. The sale of such registered securities will incur transaction commissions which are borne by the Fund(s) or Limited Partners holding such securities.

#### Borrowing

The Funds are permitted to secure short-term capital, subject to certain limitations, by borrowing money through a revolving line of credit secured by a pledge of the Funds' rights against investors to enforce capital commitments, including the right to make capital calls. In connection with a revolving line of credit, the Adviser may establish short-term borrowing arrangements between one or more Funds to facilitate capital calls. The capital funding obligations of Limited Partner investors are set forth in Fund Governing Documents. These provisions include the amount of each investor's capital commitment, the procedures for calling capital, the permitted uses of capital, the date by which the capital must be received by the Fund, the dates or circumstances after which capital may no longer be called and the rights and remedies of the Fund in the event of a default by an investor.

#### Other Fees and Expenses

The Adviser and General Partner will be responsible for all normal overhead expenses in connection with their day-to-day operations, including compensation for their employees and expenses for office space. The Adviser and General Partner will manage and/or outsource accounting and back office services at the General Partner's expense.

Clients of the Adviser may bear certain other fees, expenses and costs (aside from the management fees and performance-based compensation discussed above) which are incidental or related to the maintenance of a Fund or the buying, selling and holding of investments. Specifically, each Fund will pay all costs, fees, expenses and liabilities relating to its operations including, but not limited to:

- ◆ The organizational and startup expenses of each Fund and General Partner, and the offering of the interests (subject to a dollar limit specified in the applicable limited partnership agreement);
- ◆ In the General Partner's sole discretion, in lieu of payment of an equal amount of management fee, private placement or finder's fees and related expenses relating to the organization of the Fund which are approved by the General Partner or the Adviser;
- ◆ All costs, fees and expenses associated with the acquisition, holding and disposition of its proposed or actual investments, including broker or investment banking fees, borrowing fees, diligence fees, and broken-deal expenses (subject to a dollar limit specified in the applicable limited partnership agreement), but not including break-up fees;
- ◆ Legal, auditing, consulting, custodial, bookkeeping and accounting fees and expenses (including costs of reports to the Partners, financial statements, tax returns and K-1s);
- ◆ Expenses of meetings of the Partners;
- ◆ All insurance, indemnification and other expenses;
- ◆ All extraordinary expenses (such as litigation);
- ◆ All expenses of liquidating the Fund; and
- ◆ Any taxes, fees or other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund.

For further discussion of brokerage fees, commissions and other related transaction costs and expenses, please refer to Item 12 – *Brokerage Practices* and Fund Governing Documents.

#### Allocation of Fees and Expenses

A Fund generally pays (or reimburses the Adviser) for its proportionate share of fees and expenses which are incidental or related to the maintenance of the Fund or the buying, selling and holding of investments according to the methodology set forth in the limited partnership or other agreements governing such Fund. Expenses that are attributable to more than one Fund generally are allocated among such Funds based on their respective aggregate capital commitments, unless another methodology is deemed by the Adviser to be more equitable. The Adviser's Chief Financial Officer is responsible to oversee the fee and expense allocation process.

#### Deduction of Fees and Timing of Payment

The Adviser is authorized under the Governing Documents of each Fund to charge and deduct advisory fees directly from the contributed capital and/or other assets of the applicable Fund. Management fees are generally payable in advance by a Fund on a quarterly basis. The General Partner of the Fund typically makes capital calls to investors for their pro rata share of Fund expenses (including management fees). Following the dissolution of a Fund, the General Partner will, in accordance with the limited partnership agreement, make a final determination of all items of income, gain, loss and expense. After payment or provision for payment of all liabilities and

obligations of the Fund, the remaining assets, if any, will, in accordance with the limited partnership agreement, be distributed to investors.

### Side Letters

The Adviser has entered into and may enter into additional agreements, or “side letters,” with certain prospective or existing investors whereby such investors negotiate certain terms and conditions in addition to those set forth in the offering memoranda of the Funds. These modifications are solely at the discretion of the Funds and may, among other things, be based on the size of the investor's investment in the Funds or other similar commitment by an investor. General terms of side letters are disclosed to all Limited Partners with respect to each Fund. Item 6 – Performance-Based Fees and Side-By-Side Management.

### Performance-Based Fees

In addition to fees and expenses discussed in Item 5 – *Fees and Compensation*, an affiliate of the Adviser, as the General Partner of a Fund, may be eligible to receive performance-based compensation, sometimes referred to as “carried interest.” Carried interest is equal to a percentage of the Fund’s net profits. Any performance-based compensation will be paid in accordance with Section 205(3) of the Advisers Act and the applicable rules promulgated thereunder, which specify certain qualification thresholds for clients of the Adviser being assessed such a fee. Any share of profits paid to the General Partners of the Funds is separate and distinct from the management fees charged by the Adviser for advisory services to the Funds.

Performance fees are subject to individualized negotiation with the Limited Partners investing in each Fund. In addition to Limited Partners invested in the main pooled fund, the Adviser may use side arrangements (“side-by-side funds” or “parallel funds”) to accommodate other qualified purchasers that require amendments to the limited partnership agreement governing the “main fund.” These parallel funds generally invest side-by-side with the main fund in each investment proportionate to their respective committed capital.

### Mitigating Conflicts of Interest Associated with Carried Interest

Carried interest in a Fund may create an incentive for the Adviser and the Fund’s General Partner to make more speculative investments for the Fund than it would otherwise make in the absence of such performance-based compensation. However, conflicts of interest associated with carried interest are mitigated by: (a) the requirement that invested capital and related expenses be returned to investors before the General Partner of a Fund becomes entitled to receive any carried interest; (b) the requirement that the General Partner make a capital commitment to the Fund; and (c) a General Partner clawback obligation under dissolution of the Fund.

## **Item 7 – Types of Clients**

As noted in Item 4 – *Advisory Business*, the Adviser provides investment advisory services to the Funds, which are pooled investment vehicles exempt from registration under the Investment Company Act.

Special Purpose Vehicles may be created by the General Partner of a Fund to facilitate certain investments by a Fund or other investors. As a rule, the Adviser and General Partners do not utilize feeder funds to facilitate an investment in a Fund. A feeder fund is a Limited Partner of a fund whose interests in the feeder fund are held by certain investors, such as business executives or operating partners, who elect to participate in the fund through such feeder fund.

Minimum investment commitments may be established for Limited Partners in the Funds. The General Partner of each Fund, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable Governing Documents of such Fund.

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

### Methods of Analysis and Investment Strategies

As discussed in Item 4 – *Advisory Business*, the Adviser makes minority secondary investments in high-growth later stage technology companies. The Adviser also provides unique access to non-institutionally backed growth companies. These are mature, successful growth companies that the Adviser is able to invest in via a direct secondary strategy. In many cases, these opportunities are not available to traditional growth equity investors seeking to make primary investments.

Portfolio acquisitions target private companies with respect to venture capital, private equity or mezzanine investments through secondary, recapitalization, consolidation or special situation transactions. The Funds seek to invest in companies with a minimum of 20% growth and a 20-30% discount to fair market value. By realizing a minority interest and illiquidity discount and focusing on companies that are expected to have a meaningful exit in 2-4 years, the Adviser builds portfolios with an objective of realizing early liquidity and early return of capital.

The Adviser employs an investment strategy developed by its Founding Principals during the course of their professional careers in the growth equity markets. For every attractive opportunity, the Adviser conducts early discovery and diligence to determine if the company, the industry, and the seller's needs meet the Adviser's investment criteria. For those companies that pass the initial screening process, full due diligence is then conducted on high interest companies. The investment process consists of 10 stages:

1. Deal sourcing
2. Deal screening
3. Initial diligence

4. Letter of Intent (“LOI”)
5. Test Right of First Refusal (“ROFR”) if applicable
6. Detailed diligence
7. Preparation of investment memorandum including a three-case return model and investment approval
8. Renegotiation if necessary
9. Closing
10. Monitoring

Financial data is monitored regularly, typically monthly. The team typically speaks with management at least quarterly for qualitative monitoring and to offer access to the Adviser’s network and relationships.

### Typical Sellers

Each seller has a unique situation driving its need for liquidity. These personal situations are typically uncorrelated to capital market cycles and are often unrelated to the progress or growth stage of the company. The majority of sellers are motivated to sell a minority of their holdings to create liquidity and diversify their holdings. Typical sellers include portfolio company executives, founders, ex-management, individual or angel investors, corporate or hedge fund investors, or venture general partners. For a company with a broad shareholder base, the Adviser can serve the role of an arms-length investor to lead a recapitalization or restructure financing alongside supportive insiders.

### Material Investment Risks

The Adviser’s investment activities involve a high degree of risk with no certainty of any return of contributed Limited Partner capital. There can be no assurance that a Fund will meet its investment objective or be able to successfully carry out its investment program. In addition, there will be occasions when the General Partner and its affiliates may encounter potential conflicts of interest in connection with the Funds.

The following summary of material risks and conflicts of interest attendant to investments in the Funds is not a complete list of all investment and operating risks associated with such investments. A more detailed discussion of risks and conflicts of interest is set forth in the Governing Documents of the applicable Fund.

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

Early-stage and development stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing, and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing, which may not be available through institutional private placements or the public markets. In addition, the markets that such companies target are highly competitive and in many cases the competition consists of larger companies with access to greater resources. The percentage of companies that survive and prosper can be small.

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

**Investment in companies dependent upon new scientific developments and technologies.** The Funds may focus a significant portion of their investing in technology companies. The value of Fund interests may be susceptible to factors affecting the technology industry and to greater risk than an investment in a Fund that invests in a broader range of securities. The specific risks faced by such companies include:

- ◆ Rapidly changing science and technologies;
- ◆ Products or technologies that may quickly become obsolete;
- ◆ Exposure to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals;
- ◆ Scarcity of management, technical, scientific, research and marketing personnel with appropriate training;
- ◆ The possibility of lawsuits related to patents and intellectual property; and
- ◆ Rapidly changing investor sentiments and preferences with regard to technology sector investments (which are generally perceived as risky).

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

**Reliance on the General Partner.** With limited exceptions outlined herein, the General Partner will have sole discretion over the investment of the funds committed to a Fund as well as the ultimate realization of any profits. As such, the pool of funds in a Fund represents a blind pool of funds. Fund investors will be relying on the General Partner to conduct the business as contemplated by Governing Documents. The loss of one or more principals of the General Partner could have a significant adverse impact on the business of the Funds. No assurances can be given that each of such principals will continue to be affiliated with a Fund throughout its term. Notwithstanding any prior experience that such principals may have in making investments of the type expected to be made by the Funds, any such experience necessarily was obtained under

different market conditions and with different technologies at the forefront of development. There can be no assurance that the principals of the General Partner will be able to duplicate prior levels of success.

**Competitive marketplace.** The marketplace for growth equity capital investing has become increasingly competitive. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. Some potential competitors may have more relevant experience, greater financial resources and more personnel than the General Partners. There can be no assurances that the General Partners will locate an adequate number of attractive investment opportunities. To the extent that the Funds encounter competition for investments, returns to investors in the Funds may vary.

**Availability of attractive investment candidates.** The ultimate success of the Funds will hinge on the General Partners' ability to locate attractive investment candidates. There can be no assurances that attractive candidates will be found in sufficient quantity to allow all of the capital commitments to be drawn within the investment period.

**Changing economic conditions.** The success of the General Partners' investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

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

**No assurance of additional capital for investments.** After a Fund has purchased stock in a company, continued development and marketing of products may require that additional financing be provided. In particular, technology companies - a sector in which the Funds expect to invest - generally have substantial capital needs that are typically funded over several stages of investment. No assurance can be made that such additional financing will be available, and no assurance can be made as to the terms upon which such financing may be obtained. Alternatively, a Fund, either directly or through one of its portfolio companies, may elect to sell developed or undeveloped technology to existing companies. No assurance can be made that buyers for such technology can be located or that the terms of any such sales will be advantageous.

**Future and past performance.** The performance of the prior funds is not necessarily indicative of the Funds' future results. While the General Partners intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment.

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

**Limitations on ability to exit investments.** The General Partners expect to exit from investments in two principal ways: (a) private sales (including acquisitions of its portfolio companies) and (b) initial and secondary public offerings. At any particular time, one or both of these exits may not be open to a Fund, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

**Potential liabilities.** In connection with its investments, the Funds may negotiate the right to appoint one of the principals of the General Partner as a member of the portfolio company's board of directors. Such membership on the board of directors of a company can result in the Funds or the individual director being named as a defendant in litigation. The Funds may also participate in portfolio company financings at valuations lower than the valuations in preceding rounds of financing. Disputes arising out of such down-round financings may result in the Funds, the General Partners, or their members being named as defendants. Typically, portfolio companies will have insurance to protect directors and officers, but this insurance may be inadequate. The Funds will also indemnify the General Partners and their principals, among others, for liabilities incurred in connection with operations of the Funds, including liabilities arising from such suits. Such indemnification obligations and other liabilities could be substantial.

**Contingent liabilities on disposition of investments.** In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which a General Partner may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

**Absence of liquidity and public markets.** The Funds' investments will generally be private, illiquid holdings. As such, there will be no public markets for the securities held by a Fund and no readily available liquidity mechanism at any particular time for any of the investments held by a Fund. In addition, the realization of value from any investments will not be possible or known with any certainty until the General Partner elects, in its sole discretion, to sell a Fund's investments

and subsequently distribute the proceeds to its investors or to distribute securities to investors in lieu of cash.

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

**Limitations on ability of Limited Partners to transfer their interests in the Fund.** The transferability of interests will be restricted by the partnership agreement and by United States federal and state securities laws. In general, Limited Partners will not be able to sell or transfer their interests to third parties without the consent of the General Partner.

**Limited portfolio diversification.** As is typical of growth equity firms, the portfolio holdings of a Fund will not be broadly diversified. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to investors by the Fund.

**Valuations.** It is difficult to determine the true fair market value of private company securities. While information presented to a Fund by the Adviser is done in good faith and in accordance with the Adviser's written valuation policies and procedures, there can be no assurance that explicit or implicit valuations of a Fund's current or prospective private company securities, as periodically reported to investors, will reflect the ultimate fair market value of a particular asset or portfolio of assets.

**Legal and regulatory risks.** The Funds are not and do not expect to be registered as an "Investment Company" under the Investment Company Act of 1940, as amended, pursuant to an exemption set forth in Sections 3(c)(1) and 3(c)(7) of the Investment Company Act. There is no assurance that such exemptions will continue to be available to the Funds. Due to the burdens of compliance with the Investment Company Act, the performance of a Fund's investment portfolio could be materially adversely affected, and risks involved in financing portfolio companies could substantially increase, if a Fund becomes subject to registration under the Investment Company Act. Neither a Fund nor its counsel can assure investors that, under certain conditions, changed circumstances, or changes in the law, a Fund may not become subject to the Investment Company Act or other burdensome regulation. In addition, the Funds do not plan to register the offering of the interests to the Limited Partners under the United States Securities Act of 1933, as amended. As a result, Limited Partners will not be afforded the protections of such Acts with respect to their investment in a Fund.

**Tax risks.** No assurance can be given that current tax laws, rulings and regulations will not be changed during the life of a Fund. Prospective Limited Partners should consult their tax advisors for further information about the tax consequences of purchasing an interest in a Fund.

**Conflicts of interest.** Instances may arise where the interest of the General Partners (or their members) may potentially or actually conflict with the interests of the Funds and the Limited Partners. For example, the existence of General Partner carried interest may create an incentive for General Partners to make more speculative investments on behalf of the Funds than they would otherwise make in the absence of such performance-based arrangements. Further, conflicts of interest may arise as a result of existing Adviser entities and the Funds, as well as other investments both public and private. In certain cases, the General Partners (or their members) may have discretion to allocate investment opportunities to other pooled investment vehicles managed by the General Partners or their affiliates. The allocation of these investment opportunities and their ultimate disposition may create incentives for the General Partners that are not aligned with those of the Limited Partners. The Adviser maintains allocation policies to mitigate such conflicts.

**Failure to make capital contributions.** If a Limited Partner fails to pay when due installments of its capital commitment to a Fund, and the contributions made by non-defaulting Limited Partners and borrowings by a Fund are inadequate to cover the defaulted capital contribution, a Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially and adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). If a Limited Partner defaults, it may be subject to various remedies as provided in the partnership agreement.

**Investments longer than term.** The Funds are generally formed for a specified term as stated in Governing Documents. However, a Fund may make investments that may not be advantageously sold prior to the date the Fund is required to be dissolved. Although it is expected that Fund investments will be disposed of prior to dissolution or will be suitable for in-kind distribution at dissolution, a Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time due to the terms of the Fund dissolution.

**Follow-on investments.** A Fund may be called upon to make additional “follow-on” investments in a portfolio company after the Fund’s initial investment. The Adviser may deem these investments to be appropriate to improve the performance of a particular Fund asset or to increase the exposure of the Fund to the particular company. However, there can be no assurance that a Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by a Fund to decline a follow-on investment, for whatever reason, may have a substantial negative impact on a portfolio company in need of such an investment and may diminish the Fund’s ability to influence the portfolio company’s future development. Under no circumstances will a Fund increase its exposure to a portfolio company beyond 20% of aggregate capital commitments (excepting approval from an authorized Limited Partner Advisory Board).

**Investments with third parties.** Third party investors may be permitted to co-invest directly in a particular portfolio company or in a holding company which holds the equity in the portfolio company directly. Such co-investments may involve additional risks due to the involvement of a third party including the possibility that a third party may have economic or business interests which are inconsistent with the Funds. In addition, joint ventures and similar arrangements may

allow a third party to take or block an action contrary to the interests of the Funds with respect to an investment. The Adviser carefully selects co-investors, where applicable, to mitigate such risks.

**Lack of Limited Partner control.** Subject to the implementation of investment limitations described in Governing Documents, the General Partners have complete discretion in managing Fund portfolios. With the exception of the veto rights of certain Limited Partners invested in a capital access vehicle as outlined herein, the Limited Partners will not make decisions with respect to the management, disposition or other realization of any investment made by the Funds, or other decisions regarding the Funds' business and affairs.

**Foreign securities.** The Funds may invest in securities of foreign issuers. Investing in foreign securities involves considerations and possible risks not typically involved in investing in domestic securities, including instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividends, interest or gains) or confiscatory taxation may also affect investment in foreign securities. Higher expenses may result from investment in foreign securities than would result from investment in domestic securities because of the costs that must be incurred in connection with conversions between various currencies and foreign brokerage commissions that may be higher than in the United States. Foreign securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Such investments could be affected by other factors not present in the United States, including less stringent and less uniform accounting, auditing and financial reporting standards, different bankruptcy laws and practice, and potential difficulties in enforcing contractual obligations and obtaining and enforcing legal judgments against foreign entities.

**Currency risks.** The Funds' investment in foreign securities are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The General Partners may try to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be undertaken, and will be effective if so undertaken.

**The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring a limited partnership interest. Potential investors are urged to read this entire document and the applicable limited partnership agreement before making a determination whether to invest in a Fund.**

## **Item 9 – Disciplinary Information**

Registered investment advisers must disclose facts about any legal or disciplinary events that would be material to a client's evaluation of the adviser's business or the integrity of the adviser's management. The Adviser has no legal or disciplinary events of any kind to report.

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

Neither the Adviser nor its management persons is registered as, and does not have an application pending as, a securities broker-dealer or registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of the foregoing entities.

As noted throughout this Brochure, the Adviser and its advisory affiliates or persons controlled by or under common control with the Adviser (its "related persons") are, directly or indirectly, managing members of the General Partner of each of the Funds. Certain Principals and related persons of the Adviser spend a substantial portion of their business time on one or more of the Funds as required under the terms of each Fund's Governing Documents. Principals, employees, and affiliate entities of the Adviser may become actively involved in portfolio company operations throughout the investment cycle. Please refer to Item 4 – *Advisory Business* for a discussion of this component of the Adviser's services. A related person's involvement with portfolio company operations may introduce a conflict of interest between the fiduciary duty he or she owes as a member of a portfolio company board and the fiduciary duty he or she owes to the Fund. In order to meet its fiduciary duty, the Adviser will take such action as may be necessary to reduce, and where possible, eliminate any such conflict of interest. Such action may include refraining from voting on certain portfolio company matters, or seeking approval from the appropriate Limited Partner Advisory Board. While the risk of these conflicts cannot be eliminated, the Adviser has implemented policies and procedures to address certain of these conflict situations.

## **Item 11 – Code of Ethics**

### Code of Ethics and Fiduciary Duty

The Adviser has adopted a code of ethics ("Code of Ethics") that sets forth standards of conduct that are expected of the Adviser's employees and addresses conflicts that may arise from personal trading conducted by the Adviser's "access persons," as that term is defined in Rule 204A-1 under the Advisers Act. The Code of Ethics is the primary policy document of the Adviser which defines the expectation and requirement of professional and ethical conduct by all employees.

The Code of Ethics contains policies and procedures relating to: (a) general standards of conduct; (b) personal securities transactions; (c) insider trading; and (d) gifts, entertainment, and political contributions. Employees must affirmatively acknowledge the terms of the Code of Ethics each year. Employees who fail to honor the Code of Ethics will be subject to disciplinary sanctions up to and including termination.

## General Standards of Conduct

The Adviser's general standards of conduct are designed to ensure that its clients, investors, employees and the Adviser are protected from unethical and unprofessional conduct. The Adviser has policies to, among other things:

- ◆ Govern outside business activities of employees
- ◆ Protect confidential information
- ◆ Restrict employee political activity
- ◆ Prohibit dealings with parties sanctioned by the Office of Foreign Assets Control
- ◆ Facilitate compliance with federal and state securities statutes

## Personal Trading

Employees are permitted to have personal securities accounts as long as personal investing practices are consistent with fiduciary standards and regulatory requirements, and do not conflict with their duty to the Adviser and its clients and investors. The Adviser will monitor and control personal trading through:

- ◆ Maintenance of a restricted list of securities in which employees may not trade or must receive pre-approval to trade
- ◆ Receipt and review of personal securities holdings and transactions reports
- ◆ Pre-approval of initial public offerings, limited offerings, and private placements

## Insider Trading

The Adviser prohibits any employee from illegally acting on, misusing or disclosing any material nonpublic information, also known as "inside information". The Adviser monitors risks associated with inside information by:

- ◆ Providing periodic employee education and training
- ◆ Authorizing and monitoring employee service on boards of public companies
- ◆ Monitoring and restricting personal trading of employees and certain household members
- ◆ Maintaining a restricted list of securities
- ◆ Maintaining a compliance program to monitor employee activity

## Gifts, Entertainment, and Political Contributions

As a fiduciary, the Adviser strives to place client interests first and foremost. The Adviser's compliance policies and procedures are designed to ensure that the fiduciary standard of care is evident in all interactions with and on behalf of the Funds and Limited Partner investors. The Adviser's compliance policies implement internal controls which address a number of business practices including gifts, entertainment, and political contributions. These controls include:

- ◆ Requiring employees to report gifts and entertainment over a defined dollar value threshold
- ◆ Requiring pre-approval of gifts and entertainment over a defined dollar value threshold
- ◆ Requiring employees to receive pre-approval for all political contributions
- ◆ Maintaining a compliance program to ensure that the Adviser is informed of employee activity not directly related to the business of the Adviser

### Participation or Interest in Client Transactions

Through the limited partnership structure, the Adviser's General Partner affiliates have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by Fund investments. Employees may only participate in discussions or authorizations to buy or sell a Fund security if the employee's only interest in the security is: (a) held indirectly through one of the General Partner entities, the Funds, or otherwise; or (b) related to service as a director of a portfolio company to facilitate the Adviser's ability to monitor Fund investments in the portfolio company. These activities are subject to the Adviser's compliance policies and Code of Ethics.

Aside from the General Partner and performance-based fee structure outlined above, the employees of the Adviser have no direct or indirect financial interest in Fund transactions or holdings. Employees of the Adviser do not invest alongside the Funds nor do they as a rule participate in portfolio company opportunities passed over by the Funds. Any change to this practice will be subject to the approval of the applicable Limited Partner Advisory Board(s), the Adviser's compliance policies and procedures, and applicable Governing Documents.

The Adviser will always endeavor to act in the best interest of the Funds; however, clients should be aware that the Adviser's and General Partners' receipt of compensation from the Funds creates a potential conflict of interest with respect to such transactions. These and other operating relationships have the potential for creating conflicts of interest. Where actual or potential conflicts of interest between the Adviser, related persons and the Funds are identified, procedures contained in the Governing Documents of the Funds may provide for submission of the proposed transaction to a Limited Partner Advisory Board for review and resolution. See Item 12 – *Brokerage Practices*, for information about how such conflicts of interest are managed. The role of a Limited Partner Advisory Board is further described in Item 13 – *Review of Accounts*.

The Adviser will provide its Code of Ethics to any client or prospective client upon request. To obtain a copy, please contact Kyle Rogers, Chief Compliance Officer, at (303) 405-7565.

## **Item 12 – Brokerage Practices**

### Broker Selection

The Adviser seeks to negotiate and execute transactions in compliance with the Governing Documents of the Funds, its fiduciary duty to Fund investors, and the Adviser's compliance policies and procedures. Typically, the purchase or sale of a security for a Fund will involve a

privately negotiated transaction with the issuer, prospective seller or prospective purchaser(s) of the security, and will generally not involve the services of a traditional broker or dealer as is customary in the transaction of registered securities.

With regard to certain portfolio companies however, the Adviser may engage a broker, dealer or investment bank to identify investment opportunities or to close a transaction in a manner most advantageous to the Fund. Furthermore, with regard to public securities held in a Fund portfolio, the Adviser may be required to execute sales through a broker, dealer, or investment bank. When executing portfolio transactions, the Adviser, through the General Partner, seeks the best overall execution terms available at the time of transaction to close the deal expeditiously and on terms most favorable to the Fund.

In assessing the best overall terms available for a transaction, the full range and quality of a broker, dealer, or investment bank's services are considered, including execution capability, experience in growth equity transactions, network of contacts and relationships, research services (such as reports and analyses of markets, industries, companies, and economic trends), commission rates (or their equivalents), reputation and integrity, financial responsibility, and responsiveness. Such arrangements are generally guided by contractual agreements (excepting transactions in public securities) in part to protect the integrity and confidentiality of Fund investment activity and to seek assurances as to proper qualifications of such intermediaries. Fees paid by the Adviser to a broker, dealer, or investment bank are compliant with applicable federal securities statutes.

#### Brokerage Arrangements

In the process of exiting investments, the Funds may hold minority equity stakes in public companies if portfolio holdings are taken public. When deemed prudent by the Adviser, and when any selling restrictions are lifted, public portfolio holdings will be sold in the public securities market. The sale of such registered securities will incur transaction commissions which are borne by the Fund(s) or Limited Partners holding such securities.

#### Co-Investments

Certain third party investors may be permitted to co-invest directly in a particular portfolio company or in a holding company which holds the equity in the portfolio company directly. The Adviser will select which investors are permitted to participate in such co-investment opportunities, if any, based on various factors, including the sophistication of the investor, the capability of the investor to evaluate the merits and risks of the opportunity, the ability of the investor to fund and complete the investment on a timely basis, historically expressed interest in co-investments, whether the Adviser believes that allocating investment opportunities to a potential co-investor will help establish, strengthen and/or cultivate relationships that may provide longer-term benefits to current or future Funds, the Adviser, or the applicable portfolio company, and for strategic or other reasons. Co-investors pay their own direct expenses, including where applicable, broken deal expenses. Except to the extent required by the Adviser's allocation policy and/or requirements specified in certain Governing Documents or side letters, the Adviser is not

obligated to make co-investment opportunities available to any particular investor(s) or Limited Partner(s).

While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

#### Allocation of Investment Opportunities

The Adviser follows an allocation policy under which the Adviser and affiliate entities are permitted to allocate transactions across active funds on a fair and equitable basis, consistent with Governing Documents of the Funds and the Adviser's fiduciary duty. Portfolio investments are generally allocated among a participating Fund and other co-investment vehicles on a pro rata basis, with exceptions based on applicable investment objectives, strategies and other guidelines. When the investment period of a Fund has expired, with the exception of certain follow-on investments to existing portfolio company positions and investments committed to prior to the end of the investment period, a Fund will generally not engage in new acquisition transactions. The Adviser's investment discretion to allocate investment opportunities is exercised according to the Governing Documents of applicable Funds and the Adviser's compliance policies and procedures.

The Adviser directs the allocation of capital commitments for all Funds pursuant to its allocation policy, under which it considers certain criteria, including, among others: (a) Fund objectives; (b) Fund size and available investment capital; (c) Fund diversification guidelines; (d) size and scope of the investment opportunity; and (e) current and anticipated market conditions. If an investment opportunity is suitable for more than one Fund, the Adviser and its affiliate entities will allocate the investment opportunity between the Funds in a manner that, over time, is fair and equitable to each Fund, considering all relevant facts and circumstances. The Limited Partner Advisory Boards, appointed by the General Partners of the Funds, may assist in this process. Each Fund will generally limit the percentage of capital commitment exposure to a single portfolio company.

#### Conflicts of Interest - Allocation of Investment Opportunities

The Adviser may allocate investment opportunities among multiple Funds that are actively seeking investments. A conflict of interest may arise relative to the allocation of investment opportunities under these conditions. For example, if a successor Fund is considering a portfolio company investment during the investment period of a predecessor Fund, or if an investment is to be made by a successor Fund in a security that constitutes a follow-on investment for the predecessor Fund, a conflict of interest may arise. Follow-on investments are made in portfolio companies to facilitate their growth and represent an incremental capital commitment by the Fund. Authorization of the Limited Partner Advisory Board(s) may be required to determine the fair allocation between participating Funds. The Adviser has adopted portfolio investment allocation policies designed to ensure that all clients are treated fairly and equitably.

## Portfolio Valuation

Fund portfolio valuation represents a conflict of interest for investment advisers. The exercise of discretion in valuation by the Adviser may give rise to conflicts of interest, as fees and carried interest in certain Funds are calculated based, in part, on these valuations and such valuations affect performance return calculations. Valuations are inherently subjective as there is no public exchange for a Fund's underlying private company assets or for the trading of Limited Partner interests within the Funds themselves. The process of valuing assets 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 assets and may differ from the prices at which such assets may ultimately be sold. The Adviser cannot fully mitigate the conflicts and risks inherent in the valuation process, but manages these conflicts and risks through its investment process and compliance program.

In the absence of a perpetual market for such interests, the Adviser determines a value for each underlying portfolio company based on the periodic application of its internal valuation policies and methodologies. As a fiduciary to the Funds and investors, the Adviser follows valuation policies and procedures designed such that portfolio holdings reflect current, fair and accurate asset valuations. Valuation policy attributes include, but are not limited to: (a) semi-annual reviews of Fund portfolio valuations carried out by the Adviser's investment professionals; (b) Limited Partner Advisory Board participation in valuation processes if required by a Fund's Governing Documents; (c) annual valuation policy review; and (d) external auditor review of written valuation policies and records prior to issuance of annual Fund financial statements.

## Cross Transactions

The Adviser and its affiliate entities do not generally engage in cross transactions where a portfolio holding is transferred between Funds. If it becomes necessary in the future to engage in cross transactions, approval may be granted provided the transfer is consistent with the Adviser's fiduciary obligations to each Fund sharing in the cross transaction, applicable Fund Governing Documents, approval of Limited Partner Advisory Boards as required, and relevant securities statutes, including the Advisers Act.

## Directed Brokerage and Soft Dollars

The Adviser does not permit the direction of any Fund transactions to any broker by an investor and does not engage in soft dollar arrangements. Soft dollar arrangements are a means of paying brokerage firms for their services through commission revenue rather than by direct hard dollar payments. However, the Adviser may receive general unsolicited research from certain brokers or investment banks specializing in private equity and venture capital investments. The Adviser has no contractual obligation to compensate or do business with these research providers.

## **Item 13 – Review of Accounts**

### Review of Fund Portfolios

The Adviser's investment professionals actively monitor and review each Fund's investment portfolio on a continuous basis. The investment team includes the Founding Principals and other investment professionals of the Adviser and its affiliate entities. Investments are reviewed in light of each Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each Fund. During the review process, investment professionals analyze existing portfolio company positions to identify issues early on, take any necessary actions, and monitor portfolio company performance relative to the original investment thesis.

The Adviser's investment professionals meet regularly to review ongoing monitoring activities and to evaluate potential new purchases, and follow-on purchases and investments. Investment professionals also meet twice per year to review and approve carrying values of each Fund's respective investments.

From time to time, a Limited Partner Advisory Board may be formed with regard to a given Fund and may participate in the review process. The Advisory Board is comprised of representatives of the Limited Partners who are appointed by the General Partner to engage in certain activities as specified in the Governing Documents of a given Fund, which may include: (a) review and approve/disapprove potential or actual conflicts of interest; (b) review annual valuations of investments by the General Partner; (c) consent on behalf of the Limited Partners to certain actions requiring their approval under the Advisers Act; and (d) consider such other matters as may be provided by the limited partnership agreement or determined by the General Partner to be considered by the Limited Partner Advisory Board. Any decisions made by a Fund's Advisory Board are further disclosed to all Limited Partners in the applicable Fund.

From time to time, the Adviser may seek guidance from the Delta-v Board of Advisors, an informal non-governing network of technology industry experts providing guidance to the Adviser. Members of the Board of Advisors are not compensated for such guidance. However, they may be offered the opportunity to invest directly in portfolio companies with no compensation to Delta-v.

### Reports to Investors

The General Partner provides periodic written financial reports and a summary of investments for Fund investors to monitor their investments. The Adviser distributes written reports to investors as required by the Governing Documents of each Fund. Written reports convey to Fund investors, at a minimum: (a) audited financial statements and other information on an annual basis in accordance with generally accepted accounting principles within 90-120 days after a Fund's fiscal year end as required by the Advisers Act; and (b) unaudited summary financial and other

information on a quarterly basis. Fund investors may also be invited to attend an annual meeting during which general information is provided.

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

### Economic Benefits Received from Third Parties

The Adviser, either directly or indirectly through its affiliates acting as General Partners to the Funds, do not generally receive compensation from portfolio companies held in the Funds. However, the Adviser and its affiliate entities may receive fees and other compensation, such as breakup fees, from transactions not consummated by a Fund in connection with the Fund's proposed investment in such transactions. As described more fully in the Fund's Governing Documents, such fees and other compensation will be shared, in part, with the Limited Partner investors through reductions or off-sets against management fees that would otherwise be payable by them.

### Placement Agents

The Adviser has entered into arrangements with an unaffiliated placement agent to secure Fund interests in at least one pooled investment vehicle. A legal agreement between parties has been executed to guide the terms of engagement which include among other requirements that the placement agent abide by federal securities statutes in discharging activities on behalf of the Adviser. In accordance with the terms of the relevant Fund's Governing Documents, any placement agent fees are payable by the Adviser and/or its affiliated entities, either directly or through an offset of the advisory fee payable by the relevant Fund to the Adviser. A Fund investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

Although common, placement arrangements do create a potential conflict of interest because, in theory, the placement agent may be motivated, at least partially, by financial gain and not because the Funds are suitable to the prospective investor's needs. To address this potential conflict of interest, all referred investors are carefully screened to ensure that the particular Fund is suitable to the prospective investor's investment needs, objectives and risk tolerance before any subscription is accepted.

## **Item 15 – Custody**

Custody occurs when the Adviser or related person directly or indirectly holds client funds or securities, or has the ability to gain possession of them. The Adviser is deemed to have custody of the assets of the Funds within the meaning of the Advisers Act due to its affiliation with the General Partner of each Fund. The Funds advised by the Adviser are privately offered limited partnerships and are subject to an annual audit by a Public Company Accounting Oversight Board ("PCAOB") registered and inspected independent accounting firm in accordance with Rule 206(4)-2 under the Advisers Act. The audited financial statements of each Fund are prepared in accordance with

generally accepted accounting principles (“GAAP”) and distributed to Fund investors within 120 days of the Fund’s fiscal year end as required by the Advisers Act. Limited Partner investors are urged to review these audited financial statements carefully.

Any Special Purpose Vehicle formed to facilitate a portfolio investment in a Fund for special tax or regulatory reasons may also be subject to an annual audit by a PCAOB registered and inspected independent accounting firm in accordance with the Advisers Act. Upon the final liquidation of a Fund, the Adviser will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all investors promptly after completion of the audit.

## **Item 16 – Investment Discretion**

As discussed in Item 4 – *Advisory Business*, the Adviser generally provides investment advisory services to each Fund on a discretionary basis, subject to the overall supervision of the General Partner of each Fund. However, with regard to a capital access fund, one or more Limited Partner investors have veto rights with regard to each investment in the Fund as outlined in respective Governing Documents.

Any limitations on the Adviser’s investment discretion are established through negotiations with the Limited Partner investors in each Fund and/or its General Partner. These limitations, which are negotiated on a case-by-case basis and will vary from time to time, are incorporated into each Fund’s Governing Documents, which include the applicable management agreement with the Adviser. In the case of Funds whose fundraising periods have closed, the Adviser’s investment discretion will be limited to certain follow-on investments and the liquidation of existing portfolio company positions.

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

The Adviser may vote proxies (or similar instruments) for a Fund if required under the management agreement with the General Partner of such Fund. In accordance with Advisers Act requirements, the Adviser maintains proxy policies to address voting requirements, if any, for Fund portfolio investments. Proxy policies seek to ensure that the Adviser votes proxies in the best interest of the Funds, including when there may be material conflicts of interest in voting proxies.

The Adviser believes its interests are aligned with Limited Partner investors through the General Partner’s ownership interests in the Fund and therefore does not generally seek investor approval or direction when voting proxies. If, however, there is or may be a conflict of interest between the General Partner and the Fund in voting proxies, the Adviser may address the conflict using several alternatives, to include recusal from voting, seeking counsel of the respective Limited Partner Advisory Board on the proposed proxy vote or through alternatives set forth in proxy policies.

The Adviser’s proxy policies are designed to ensure that any material conflict of interest is identified for a particular proxy vote and the vote is not improperly influenced by the conflict. If you are a client and would like to obtain a copy of the Adviser’s proxy voting policies or additional

information about how proxies have been voted, please contact Kyle Rogers, Chief Compliance Officer, at (303) 405-7565.

## **Item 18 – Financial Information**

The Adviser and its affiliate entities have no financial obligation that impairs their capacity to meet contractual and fiduciary commitments to clients, nor has the Adviser or its affiliate entities been the subject of a bankruptcy proceeding.



Delta-v Capital

# **ADV Part 2B Brochure Supplements**

Delta-v Capital, LLC  
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March 30, 2016

Brochure Supplements provide information about certain advisory personnel of Delta-v Capital, LLC (“the Adviser”). This information supplements the Adviser’s Brochure outlined above. Please contact Kyle Rogers, Chief Compliance Officer, at (303) 405-7565 if you did not receive the Brochure or if you have any questions about the contents of these supplements.

**David Schaller**  
Managing Director  
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*This Brochure Supplement provides information about David Schaller that supplements the Delta-v Capital, LLC Brochure. You should have received a copy of that Brochure. Please contact Kyle Rogers, Chief Compliance Officer, at (303) 405-7565 if you did not receive the Brochure or if you have any questions about the contents of this supplement. Additional information about Delta-v Capital, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Educational Background and Business Experience**

- ◆ Year of Birth -- 1966
- ◆ University of Cincinnati, B.S.M.E. -- 1990
- ◆ The Wharton School of Business at the University of Pennsylvania, M.B.A. -- 1996
- ◆ CenterPoint Ventures, Managing Director -- 08/02 to 02/09
- ◆ Delta-v Capital, LLC, Co-Founder, Managing Director -- 03/09 to Present
- ◆ Delta-v Capital, LLC, Chief Compliance Officer -- 06/15 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Schaller.

### **Other Business Activities**

Mr. Schaller is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities. He does retain a carried interest in CenterPoint Ventures III, a private fund for which he no longer has any managerial duties and for which he no longer receives current compensation.

### **Additional Compensation**

Mr. Schaller does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Schaller is one of two Founding Principals of Delta-v Capital, LLC who comprise the Adviser's investment team and retain decision-making authority for selection and disposition of investments for the Adviser's pooled investment vehicles. Mr. Schaller is not subject to the direct supervision of any other individual although he is bound by the Adviser's compliance policies and procedures.

**Rand Lewis**  
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*This Brochure Supplement provides information about Rand Lewis that supplements the Delta-v Capital, LLC Brochure. You should have received a copy of that Brochure. Please contact Kyle Rogers, Chief Compliance Officer, at (303) 405-7565 if you did not receive the Brochure or if you have any questions about the contents of this supplement. Additional information about Delta-v Capital, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Educational Background and Business Experience**

- ◆ Year of Birth -- 1967
- ◆ Brigham Young University, B.S. -- 1991
- ◆ University of Colorado, M.S. -- 1995
- ◆ Northwestern University, M.B.A. -- 1997
- ◆ Centennial Ventures (Centennial Holdings), Managing Director -- 05/99 to 06/09
- ◆ Delta-v Capital, LLC, Co-Founder, Managing Director -- 07/09 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Lewis.

### **Other Business Activities**

Mr. Lewis is a Managing Director of an unaffiliated private fund, Centennial Ventures VII. He receives no current compensation from this activity but does maintain carried interest in the fund. The fund has not made new commitments to portfolio companies since 2007. Mr. Lewis is a member of the Board of Directors of Marketforce Information, a portfolio company of Centennial Ventures VII, a position for which no compensation is received.

### **Additional Compensation**

Mr. Lewis does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Lewis is one of two Founding Principals of Delta-v Capital, LLC who comprise the Adviser's investment team and retain decision-making authority for selection and disposition of investments for the Adviser's pooled investment vehicles. Mr. Lewis is not subject to the direct supervision of any other individual although Mr. Kyle Rogers (Chief Compliance Officer, (303) 405-7565) oversees his compliance with the Adviser's compliance policies and procedures.

**Dan Williams**  
Principal  
Delta-v Capital, LLC  
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*This Brochure Supplement provides information about Dan Williams that supplements the Delta-v Capital, LLC Brochure. You should have received a copy of that Brochure. Please contact Kyle Rogers, Chief Compliance Officer, at (303) 405-7565 if you did not receive the Brochure or if you have any questions about the contents of this supplement. Additional information about Delta-v Capital, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Educational Background and Business Experience**

- ◆ Year of Birth -- 1985
- ◆ Massachusetts Institute of Technology, B.S. -- 2007
- ◆ The Wharton School of Business at the University of Pennsylvania, M.B.A. -- 2013
- ◆ Cisco Systems, Corporate Development Manager -- 12/06 to 02/13
- ◆ American Capital, Associate -- 02/13 to 12/14
- ◆ Delta-v Capital, LLC, Principal -- 01/15 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Williams.

### **Other Business Activities**

Mr. Williams is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Williams does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Williams is responsible primarily for deal analysis, execution, and support. Mr. Williams is supervised by Mr. Kyle Rogers (Chief Compliance Officer, (303) 405-7565) who also oversees his compliance with the Adviser's compliance policies and procedures.

**Colin Barclay**  
Vice President  
Delta-v Capital, LLC  
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*This Brochure Supplement provides information about Colin Barclay that supplements the Delta-v Capital, LLC Brochure. You should have received a copy of that Brochure. Please contact Kyle Rogers, Chief Compliance Officer, at (303) 405-7565 if you did not receive the Brochure or if you have any questions about the contents of this supplement. Additional information about Delta-v Capital, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Educational Background and Business Experience**

- ◆ Year of Birth -- 1985
- ◆ Harvard College, B.A. -- 2007
- ◆ Tuck School of Business at Dartmouth, M.B.A. -- 2013
- ◆ Insight Venture Partners, Analyst -- 08/07 to 04/09
- ◆ USA Bid Committee, Manager of Operations -- 04/09 to 01/11
- ◆ Tough Mudder, Sr. Business Analyst -- 06/12 to 8/12
- ◆ Wowza Media Systems, Sr. Manager Business Development -- 07/13 to 05/15
- ◆ Delta-v Capital, LLC, Vice President -- 05/15 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Barclay.

### **Other Business Activities**

Mr. Barclay is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Barclay does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Barclay is supervised on a day-to-day basis by Mr. Rand Lewis (Managing Director, 303-405-7544) and Mr. Kyle Rogers (Chief Compliance Officer, (303) 405-7565) who oversees his compliance with the Adviser's compliance policies and procedures.

**Kyle Rogers**  
Chief Financial Officer  
Chief Compliance Officer  
Delta-v Capital, LLC  
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*This Brochure Supplement provides information about Kyle Rogers that supplements the Delta-v Capital, LLC Brochure. You should have received a copy of that Brochure. Please contact Kyle Rogers, Chief Compliance Officer, at (303) 405-7565 if you did not receive the Brochure or if you have any questions about the contents of this supplement. Additional information about Delta-v Capital, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Educational Background and Business Experience**

- ◆ Year of Birth -- 1976
- ◆ Dartmouth College, B.A. -- 1999
- ◆ Goldman Sachs, Analyst -- 07/99 to 10/01
- ◆ Keating Investments, COO, CFO, CCO – 10/01 to 08/09
- ◆ Keating Investments, Chief Investment Officer – 08/09 to 06/14
- ◆ BDCA Adviser, Managing Director -- 06/14 to 05/16
- ◆ Delta-v Capital, LLC, CFO, CCO -- 05/16 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Rogers.

### **Other Business Activities**

Mr. Rogers is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Rogers does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Rogers is supervised on a day-to-day basis by Mr. Rand Lewis (Managing Director, 303-405-7544) and David Schaller (Managing Director, (972) 510-5705) who oversees his compliance with the Adviser's compliance policies and procedures.