

**PART 2A OF FORM ADV**

**FIRM BROCHURE**

**Elevar Equity Management Ltd.  
220 2<sup>nd</sup> Ave S.  
Seattle, WA 98104  
Tel: (425) 749-7028**

**<http://www.elevarequity.com>**

**March 30, 2018**

**This Brochure provides information about the qualifications and business practices of Elevar Equity Management Ltd. (“Elevar”). If you have any questions about the contents of this Brochure, please call us at (425) 749-7028. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority, and references in this Brochure to Elevar as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

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

## **ITEM 2 – MATERIAL CHANGES**

This brochure, dated March 30, 2018, is intended to provide a summary of material changes to Elevar’s policies, practices or conflicts of interest that have occurred since the Brochure was last filed with the SEC on February 24, 2017. Elevar has made the following material changes since its last update:

1. Addition of Elevar Equity IV, LP; and
2. Addition of sub-advisory agreement TPG Capital Advisors, LLC for a portion of the Rise Fund, LP.

Non-material updates have been made including, but not limited to, updating the regulatory assets under management and other clarifying language.

### ITEM 3 - TABLE OF CONTENTS

	<u>Page</u>
ITEM 2 – MATERIAL CHANGES .....	II
ITEM 4 – ADVISORY BUSINESS .....	1
ITEM 5 – FEES AND COMPENSATION .....	3
ITEM 6 – PERFORMANCE-BASED PROFIT DISTRIBUTIONS 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 .....	13
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS ..	14
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	15
ITEM 12 – BROKERAGE PRACTICES .....	19
ITEM 13 – REVIEW OF ACCOUNTS .....	21
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....	22
ITEM 15 – CUSTODY .....	23
ITEM 16 – INVESTMENT DISCRETION .....	24
ITEM 17 – VOTING CLIENT SECURITIES .....	25
ITEM 18 – FINANCIAL INFORMATION .....	26

## **ITEM 4 – ADVISORY BUSINESS**

### **A. Description of the Advisory Firm**

Elevar Equity Management Ltd. (“Elevar”) is a Cayman Islands exempted company formed in 2012. The principal owners of Elevar are Sandeep M. Farias, through his ownership in EE Deep Ventures, Ltd., Johanna G. Posada, and Bernadette M. Chorenge.

### **B. Types of Services**

Elevar provides investment advisory services to a number of private pooled investment vehicles that seek and provide equity financing in high growth, private companies that develop and/or offer essential products and services tailored explicitly to the needs of underserved customers in low-income communities (“Portfolio Companies”). Currently Elevar advises the following pooled investment vehicles: Elevar Equity II, LP (“EEII”), Elevar Equity III, LP (“EEIII”) and Elevar Equity IV, LP (“EEIV”), collectively, the “Elevar Funds”. Elevar also provides sub-advisory services to Unitus Equity Fund, LP (“Unitus”), which is managed by Unitus Investment Management, as well as to a portion of the assets within the Rise Fund, LP (the “Rise Fund”), which is managed by TPG Capital Advisors, LLC (“TPG”), and in the future may provide sub-advisory services to other private pooled investment vehicles or enter into strategic relationships to assist other investment advisers in managing other private pooled investment vehicles (together with Unitus and the Rise Fund, the “Sub-Advisory Funds”). For purposes of this Brochure, the Elevar Funds and the Sub-Advisory Funds are collectively referred to as the “Funds.”

Affiliates of Elevar serve as the general partners of the Elevar Funds (each an “Advisory Affiliate”). Each of the Advisory Affiliates is a related person of Elevar.

Elevar, together with each Fund’s respective general partner, provides investment management and/or investment supervisory services. Typically, Elevar advises each Fund pursuant to the Fund’s limited partnership agreement or limited liability company agreement (each an “Advisory Agreement”), and according to a sub-advisory agreement with each of the Sub-Advisory Funds (the “Sub-Advisory Agreements,” and collectively with the Advisory Agreements, the “Agreements”). Elevar’s advisory services include, but are not limited to, the identification and structuring of Fund investments and the management and oversight of Portfolio Companies. The authority to select investment opportunities or to make investment or investment-related decisions is vested exclusively in the Advisory Affiliates for the Elevar Funds and the investment adviser and/or general partner for the Sub-Advisory Funds.

In the future, Elevar may in consultation with a Portfolio Company, in its sole discretion, introduce and / or allow one or more investors to invest in securities issued by a Portfolio Company. Such investments may be offered directly or indirectly through the establishment of a co-investment vehicle (“Co-Investment Vehicle”). Elevar, in its sole discretion, shall allocate the available investment among the Funds and the persons, if any, who are co-investing (subject to certain limitations in the Governing Documents (as defined below)). Co-investment opportunities may be offered to some but not all investors.

### **C. Investment Objectives and Restrictions**

Elevar offers investment advice solely with respect to the investments made by the Funds. Such services consist of (i) investigating, identifying and evaluating investment opportunities; (ii) structuring and negotiating investments on behalf of the Funds; and (iii) managing and monitoring the performance and disposition of such investments. The Funds invest in private and, to a limited extent, public company securities.

All investors in the Funds (“Investors”) are provided with a confidential private placement memorandum, a limited partnership agreement or limited liability company agreement (each a “Client Agreement”) or other offering documents (collectively, “Governing Documents”) prior to making an investment. Each Fund’s investment objective and strategy is set forth in the respective Fund’s Governing Documents. Investors are urged to carefully review such Governing Documents prior to making an investment in a Fund.

Elevar tailors its investment advice to each Fund in accordance with the Fund’s investment objectives and strategy as set forth in the relevant Governing Documents. Generally, Elevar does not tailor its advisory services to the individual needs of Investors.

Elevar, and/or a Fund’s respective general partner, has entered into side letter agreements with certain Investors. Side letters are negotiated prior to investment and may establish rights that supplement or alter the terms of the applicable Client Agreement. Pursuant to such side letters, Elevar, and/or a Fund’s respective general partner, has granted rights to certain Investors which are not available to other Investors (including without limitation, advisory board representation, transparency rights, reporting rights). Once invested in a Fund, Investors generally cannot impose additional investment guidelines, restrictions or other requirements on such Fund.

Investors in a Fund may not withdraw from the Fund prior to dissolution, and may not transfer any of their interests in the Fund without the prior written consent of the applicable Advisor Affiliate or general partner.

### **D. Wrap Fee Programs**

Elevar does not participate in wrap fee programs.

### **E. Assets Under Management**

As of December 31, 2017, Elevar managed \$220,173,894 in regulatory assets under management on a discretionary basis (through the Advisory Affiliates for the Elevar Funds) and \$13,195,022 in regulatory assets under management on a non-discretionary basis (for the Sub-Advisory Funds).

## ITEM 5 – FEES AND COMPENSATION

*Fees are determined and assessed in a manner specific to each Fund and in accordance with the Fund's Governing Documents. It is important that Investors refer to the relevant Governing Documents for a complete understanding of fees and expenses they may pay through an investment in a Fund. The information contained herein is a summary only and is qualified in its entirety by such Governing Documents.*

*Any new Fund launched by Elevar may have materially different terms than those summarized below. It should be noted that the fees paid by the Funds are negotiable by Investors only prior to an investment in the Fund, at the discretion of the Fund's general partner.*

### Management Fees

Elevar is compensated for its advisory services through asset-based management fees (typically at a rate of 2 to 2.5% per annum) or fixed fees. EEII currently pays a quarterly management fee, in advance, equal to a percentage of its total commitment amount during the commitment period and a percentage of its net invested capital thereafter. EEIII currently pays a quarterly management fee, in advance, equal to a percentage of its total commitment amount during the commitment period and a percentage of its net invested capital plus specified amount of reserves for follow-on investments thereafter. EEIV currently pays a quarterly management fee, in advance, equal to a percentage of its total commitment amount during the commitment period and a percentage of its net invested capital plus specified amount of reserves for follow-on investments thereafter. Unitus and TPG currently pay a fixed fee, in advance, on a quarterly basis, according to their respective Sub-Advisory Agreements. Elevar is paid the management fees applicable to the appropriate Fund directly from the Fund's assets and Investors do not have the ability to choose to be billed directly for management fees.

### Carried Interest

In addition, as described in more detail in Item 6 below and pursuant to the terms in each Fund's Governing Documents, Elevar, the Advisory Affiliates or other affiliates of Elevar may receive performance-based profit distributions from a Fund. Performance-based profits are made when prescribed by the applicable Client Agreement to the relevant Advisory Affiliates for the Elevar Funds and to Elevar or an affiliate thereof for the Sub-Advisory Funds.

### Expenses

The Advisory Affiliates or Elevar will pay certain ordinary and customary expenses out of the management fee (including salaries, wages, rent, communication costs, equipment and other overhead expenses).

With respect to the Elevar Funds, each Elevar Fund will be responsible for (a) all costs and expenses attributable to acquiring, holding, monitoring and disposing of each respective Elevar Fund investment (including interest on money borrowed by the Elevar Fund, registration expenses and brokerage, finders', custodial and other fees), third-party legal fees, including expenses associated with the preparation of legal opinions, third-party accounting, auditing,

consulting and other fees and expenses; (b) the preparation of the Elevar Fund's financial statements, tax returns and Schedules K-1; (c) reasonable expenses of the Elevar Fund's advisory committee and its members; (d) extraordinary expenses of the Elevar Fund, including, but not limited to, litigation and indemnification costs and expenses incurred, judgments and settlements; (e) the Elevar Fund's management fee; (f) the reimbursement of limited partner travel expenses incurred in connection with such limited partner's attendance of annual partnership meetings; and (g) any other expenses in accordance to the terms of each Elevar Fund's Governing Documents.

The Elevar Fund expenses shall generally not include expenses of a Co-Investment Vehicle, provided, however, that when such costs and expenses are the common expense of the Elevar Fund and one or more Co-Investment Vehicles, such expenses shall generally be allocated among such entities based on the respective capital commitments of each entity or the amount of their respective investment in a Portfolio Company that gives rise to such cost or expense, as applicable.

Each Elevar Fund will bear the organizational and syndication expenses (subject to the terms and limitations set forth in the Client Agreements) associated with the formation of such Elevar Fund up to a maximum amount equal to the amount detailed in the respective Client Agreement.

#### Offset Fees

Elevar, the Advisory Affiliates or their members, employees or other affiliates may receive customary break-up and topping fees, commitment fees, monitoring and directors' fees and transaction, financing, divestment and other similar fees from Portfolio Companies as compensation for financial advisory and similar services. If Elevar, or any Advisory Affiliate, or their members, employees or other affiliates receive such fees, 100% of such fees will offset the management fees payable by the applicable Elevar Fund. Any reimbursement of Elevar, the Advisory Affiliates or their members, employees or other affiliates for out-of-pocket expenses incurred on behalf of a Portfolio Company will not be offset against the management fee. These fees, and the associated conflicts of interest they present, are further described in Item 11 below.

#### Senior Advisors/Operating Partners/Consultants

Elevar may hire third party consultants throughout the Funds' investment processes, including senior advisors who are former senior executives with operating experience and industry-specific knowledge ("Senior Advisors"). Senior Advisors play an important role in how Elevar manages its portfolios and may assist with a variety of activities, including market research, new investment identification, pre-investment business diligence and post-investment value creation. Senior Advisors are not employees of Elevar but consultants who provide an important source of operating and strategic expertise across a wide spectrum of different fields within focus sectors. Through Elevar's relationships, Elevar may make the Senior Advisors available to Portfolio Companies. To date, Senior Advisors have, among other things, helped certain Portfolio Companies forge strategic partnerships, source key hires and formulate and drive growth initiatives.

Senior Advisors are typically paid a consulting fee by Elevar, which in some cases may be allocated to one or more Fund. Consulting fees may vary depending upon a number of variables,

including expertise and time commitment to Elevar. From time-to-time, these individuals may also co-invest in transactions in which they are involved under the same terms and conditions as the applicable Fund. As a Senior Advisor becomes more ingrained with a Portfolio Company, he or she may take on a more active role, including, for example, taking a board seat and providing additional services directly to the Portfolio Company. In either case, the Senior Advisor may receive direct compensation from the Portfolio Company under terms agreed to by the Portfolio Company and the Senior Advisor. Any such compensation will not offset the management fee received by Elevar.

#### Brokerage

To the extent Elevar utilizes the services of broker-dealers to effect portfolio transactions for a Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.



## **ITEM 6 – PERFORMANCE-BASED PROFIT DISTRIBUTIONS AND SIDE-BY-SIDE MANAGEMENT**

As described in Item 5 above, Elevar, an Advisory Affiliate or an affiliate of Elevar may receive performance-based profit distributions from the Funds. The possibility that Elevar, an Advisory Affiliate or an affiliate of Elevar may receive performance-based profit distributions creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such performance-based profit distributions.

While all Funds are subject to performance-based profit distributions, these differ from Fund to Fund. As a result, the potential for Advisory Affiliates to receive greater performance-based profits distributions from a particular Fund when compared to another creates a conflict of interest with respect to the allocation of investment opportunities, as Elevar may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the Fund from which it may receive a greater performance-based profit distribution. To alleviate potential conflicts of interest, the allocation of commitments and investment decisions with respect to each Fund are made in accordance with Elevar's investment allocation policy, which takes into account multiple criteria, including: specific objectives of each Fund, the commitment period and term of each Fund, the size and capital available for investment by each Fund, diversification needs, the size of the investment opportunity, current and anticipated market conditions, specific investment restrictions or guidelines applicable to each Fund, and relevant tax or regulatory considerations. In the event investment opportunities are suitable for more than one Fund, allocation of such investment opportunities will be made in a manner that is fair and equitable to each Fund relative to the other Funds over time, taking into account all relevant facts and circumstances. Pursuant to the details in the respective Client Agreement(s), the Fund advisory board(s) will be consulted regarding allocations when there is a perceived conflict of interest. Further, the Investors have been advised of this conflict in the Client Agreements and have acknowledged the inherent conflict of interest.

Investors are provided with clear disclosure as to how performance-based profit distributions are utilized with respect to the Funds and the risks associated with such performance-based profit distributions prior to making an investment.

## **ITEM 7 – TYPES OF CLIENTS**

Elevar provides investment advisory services to the Funds described in Item 4 above. All Investors in the Elevar Funds are “accredited investors” as defined in Regulation D under the Securities Act of 1933 and “qualified clients” as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

EEIV is currently the only Fund open to new Investors. Any new Fund launched by Elevar in the future may have different terms than those summarized above.

Elevar does not have a minimum size for a Fund, but minimum investment commitments are typically established for investors in the Funds. The general partner of each Fund may, in its sole discretion, permit investments below the minimum amounts set forth in the Governing Documents of such Fund.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Investment Strategies**

The following summarizes the methods of analysis and investment strategies used by Elevar in formulating investment advice.

Elevar's core investing premise is that large, disconnected communities represent an enormous undervalued asset and investment opportunity. Elevar seeks to provide Investors with long term capital appreciation by making privately negotiated investments, principally in entrepreneurial, high growth companies that provide essential products or services to disconnected communities underserved by global networks. Elevar takes a thesis-led approach to deploying capital that has resulted in investments that include microfinance, low income housing finance, payment networks, micro/small/medium sized enterprise finance, education finance, agri-supply chain financing and aggregation, migrant services and rural healthcare.

Elevar's investment process begins with the identification of large, socially coherent but disconnected groups. Viewing these groups as large sources of untapped economic and social value, Elevar develops investment themes around specific products or services that can link disconnected groups to global systems, prioritizing opportunities based on the community's expressed needs for specific essential products or services. Development of investment themes comes from a "bottom-up" understanding of the needs of clients and the relevant market space. Elevar's investing is driven by specific requests from clients of existing portfolio companies with regards to the products and services that are needed by them. This is complemented by "topdown" research and analysis that encompass macroeconomics, nation level assessment and development oriented research.

Within each theme, Elevar's focus is on finding and recruiting the best entrepreneurs who regard the economic development of these communities (particularly in markets such as India, Latin America and South East Asia) as a key element to their success.

### **B. Risk Factors**

An investment in the Funds involves a significant degree of risk. There can be no assurance that the Funds' targeted rate of return will be achieved or that there will be any return of capital. The environment for private equity investments is increasingly competitive and an Investor should only invest in a Fund if the Investor can withstand the liquidity constraints of an investment in the Fund and a total loss of its investment.

No guarantee or representation is made that the Funds' investment program will be successful. Please note that all references to Elevar in this Item 8 shall include the applicable Advisory Affiliate(s). The following are some of the additional material risks associated with an investment in the Funds:

***International Investments.*** The Funds will invest in businesses operating and/or organized in developing countries. Investments outside the developed world or denominated in developing countries' currencies pose currency exchange risks (including restrictions on repatriation of proceeds of investments, exchange rate fluctuation, foreign taxation, devaluation and non-exchangeability), as well as a range of other potential risks that may include (depending on the country involved) expropriation, confiscatory or retrospective taxation, political or social instability, illiquidity, difficulty in taking legal action and market manipulation. While Elevar intends, where appropriate, to manage the Funds in a manner that will minimize exposure to the foregoing risks, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of a Fund that are held in certain countries.

Foreign investment in certain countries may be restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment, increase the costs and expenses of a Fund and/or affect exit opportunities, both in terms of the value of such investment in light of limited exit opportunities and/or the timing of such exits. Certain countries may require governmental approval prior to investments by a Fund, limit the amount of investment by the Fund or limit the investment by the Fund to only a specific class of securities of an entity that may have less advantageous terms than those available for other types of investors. A Fund's investments that are situated in the various countries will also be subject to normal investment risks and, in addition, may be adversely affected by political developments and/or changes in the local laws, taxes and exchange controls which might be applicable to the Fund or to the Fund's investments.

Additionally, non U.S. investments, such as those a Fund contemplates, may involve certain risks, including the following: (i) political or economic instability, (ii) unpredictability of international trade patterns, (iii) the possibility of governmental actions such as expropriation, nationalization, confiscatory taxation or retrospective taxation, (iv) the imposition or modification of exchange controls, (v) price volatility, (vi) the imposition of withholding taxes on dividends, interest, gains or on the restructuring of portfolio companies, (vii) fluctuations in currency exchange rates and (viii) different bankruptcy laws and customs. It may be difficult to obtain and enforce legal judgments against the governments in whose countries a Fund invests. A Fund is not obligated to engage in, and does not currently anticipate engaging in, any currency hedging operations.

***Emerging Markets Risk.*** Emerging market countries, including many of the countries in which a Fund expects to invest, are subject to greater risks than more developed markets. Moreover, financial turmoil in any major emerging market country may adversely affect financial markets in other emerging market countries as investors move their money to more stable, developed economies. The perception of higher risk in emergent market countries may also adversely affect the economies of the countries in which the Fund invests.

***Investments in New Growth Industries.*** Each Fund's Portfolio Companies may operate in new growth industries. Investments in those industries may involve risks greater than those generally associated with other industries and may experience significant fluctuations in returns. New growth industries are challenged by rapidly changing market conditions and participants, new competing products and services, and improvements in existing products and services. A number of the Fund's Portfolio Companies may compete in this volatile environment. There is

no assurance that products or services sold by such Portfolio Companies will not be rendered obsolete or adversely affected by competing products and services or other challenges. Instability, fluctuation or an overall decline within new growth industries may not be balanced by investments in other industries not so affected. In the event that the new growth industries decline, returns to Investors may decrease.

***Currency Fluctuations and Foreign Exchange Controls.*** The Funds will raise commitments in U.S. Dollars (“Dollars”), with each Fund’s assets to be invested primarily in equity-linked (i.e., convertible instruments) and equity securities of Portfolio Companies. Each Fund intends to make such investments primarily in the respective local currencies of the companies in which it invests, with such companies operating in their respective local currencies. Therefore, a Fund’s assets may be invested in a manner in which the income received by the Fund will be in non-Dollar currencies; however, the Fund maintains its accounts and computes and distributes its income in Dollars. For these types of investments, if the value of any non-Dollar currency in which a Fund receives its income falls relative to the Dollar between the time the Fund earns the income and the time at which the Fund converts such foreign currency to Dollars, the Dollar income of the Fund will be affected. In addition, since a Fund may invest in securities denominated or quoted in currencies other than the Dollar, changes in currency exchange rates will affect the value of securities in the Fund’s portfolio and the unrealized appreciation or depreciation of investments. In the event a Fund makes investments in Dollars, and if the value of any non-Dollar currency in which the companies receive their respective income falls relative to the Dollar, between the time the company receives such Dollars from the Fund and the time at which the company must convert such foreign currency to pay the Fund in Dollars, the Dollar income of the companies, and potentially the Fund, will be adversely affected. Further, the Fund may incur transaction costs in connection with conversions among various currencies. Currency exchange rates generally are determined by the forces of supply and demand in the foreign exchange markets and the relative merits of investment in different countries, actual or anticipated changes in interest rates or other complex factors. Currency exchange rates can also be affected unpredictably by intervention or failure to intervene by U.S. or foreign governments or central banks or by currency controls or political developments in the U.S. or abroad.

Some developing economies have significant exchange control regulations and restrictions on overseas investments. These regulations and restrictions may negatively affect the ability to raise further financing for, and exit from, portfolio companies located in such jurisdictions. For instance, there could be regulations relating to: (a) minimum investments from overseas investors; (b) caps on the holdings of overseas investors; (c) limitation of “control” of entities by overseas investors; (d) valuation of investments at the time of making the investment and at the time of an exit; and (e) limitations on voting rights of overseas investors.

***Financial Market Fluctuations.*** General economic conditions and fluctuations in the debt markets or in the securities markets (whether in local communities, particular countries or globally) may affect the value of the investments that will be held by a Fund and the success of the Fund’s activities. Such conditions include interest rates, availability of credit, inflation rates, economic uncertainty and changes in national or international political circumstances.

Moreover, the ability of companies in which a Fund may invest to grow, to raise capital (equity and debt) or refinance debt may depend on the ability to borrow from banks or otherwise, and

sell securities in the debt or equity markets (public or private), and may be affected by changing risk perceptions of capital providers based on macro and micro economic conditions.

Similarly, fluctuations in the housing markets (whether in local communities, particular countries or globally), and other markets accessed by target end clients of the Fund, may negatively impact the success of the Fund's activities. There can be no assurance that these general or economic market conditions and fluctuations or unanticipated downturns in these markets (or segments of them) will not have a material adverse effect on the Fund or its investments.

***Impact of Co-Investments.*** Elevar may, in its discretion, offer related parties, including certain Investors, the opportunity to invest directly in Portfolio Companies in which a Fund has or will make an investment in the event the Elevar determines that such co-investment is in the best interests of the Fund, would be beneficial to the consummation of the investment by the Fund and is made on terms no better than those made available to the Fund. Any such co-investments could result in certain parties, including certain Investors, having interests in a Portfolio Company that differ from those of the Investors generally.

***Need for Follow-On Investments.*** Following its initial investment in Portfolio Companies, Elevar may anticipate that a Fund will be called upon frequently to provide additional funds to Portfolio Companies or will have the opportunity to increase its investment in a successful Portfolio Company. As previously stated, an economic recession or adverse developments in the securities markets, microfinance industry and/or emerging markets might have a negative impact on the ability of Portfolio Companies to access additional capital necessary to sustain growth or conduct operations. There is no assurance that a Fund will be able or willing to make follow-on investments. This may have a substantial negative impact on Portfolio Companies in need of such an investment, which in turn may negatively impact a Fund's investments in such companies and reduce or eliminate returns to the Fund's Investors and could result in a complete loss of an Investor's capital contributions.

***Non-controlling Investments.*** A Fund may hold a non-controlling interest in a Portfolio Company and, therefore, may have a limited ability to direct the actions of such Portfolio Company's board of directors in order to better protect or manage its investment in such a Portfolio Company, although as a condition of investment in a Portfolio Company, Elevar expects that appropriate shareholder rights will be negotiated to protect, to a limited degree, the Fund's interests in a Portfolio Company.

***Leverage.*** Early-stage companies may be highly leveraged, and a Fund's investments in such companies may be made at levels in the capital structure subordinate to senior equity or debt securities of such companies. The leveraged capital structure of such Portfolio Companies will increase the exposure of these companies to adverse economic factors such as rising interest rates, downturns in the economy, or deterioration in the condition of the Portfolio Company or its industry. Although Elevar will seek to use leverage in a manner that it believes is prudent, the use of leverage by a Fund in an investment in a Portfolio Company may further expose such company to the risks of leverage described above.

***Illiquid and Long-Term Investments.*** While each Fund will generally attempt to negotiate exit mechanisms for all of its investments, there can be no assurance that such mechanisms will be effective. Each Fund will invest in unlisted equity securities of companies, including

investments that involve a high degree of business and financial risk, which can result in substantial losses to the Fund. Due to the absence of any trading market for these investments, a Fund may take longer to liquidate its position with regard to these investments than would be the case for publicly traded securities.

Although these securities may be resold in privately negotiated transactions, the amounts received by a Fund on these sales could be less than the prices paid by the Fund. Companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements that may be applicable to publicly traded securities. Given the nature of each Fund's activities, all of a Fund's investments may be in such unlisted securities. If such securities are required to be registered under the securities laws of one or more jurisdictions before being sold, the Fund may be required to bear the expenses of registration.

***Investments Longer Than Term.*** Each Fund may make investments which may not be advantageously disposed of prior to the date the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although Elevar expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and Elevar has a limited ability to extend the term of a Fund, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

***Competition.*** Although each Fund expects to work closely with its network of investors active in developing countries to generate leads on potential companies for investment, each Fund will compete with a significant number of other private equity finds, as well as institutional and strategic investors, for investment in Portfolio Companies. As a result of such competition, it may become more difficult for a Fund to achieve its investment objectives, and may result in the failure of the Fund to successfully identify, structure and complete investments.

***Possible Lack of Diversification.*** Although no portfolio investment should constitute more than 20% of a Fund's committed capital, each Fund may participate in a limited number of portfolio investments. A specific investment focus is inherently more risky and could cause a Fund's investment to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus.

***Investors and prospective Investors are provided with offering documents that contain a detailed description of the material risks related to an investment in the Funds, and are advised to carefully review all risk factors set forth in the relevant offering documents. The Funds' investments involve the risk of loss that Investors should be prepared to bear.***

## **ITEM 9 – DISCIPLINARY INFORMATION**

Elevar and its management persons have not been the subject of any material legal or disciplinary proceedings required to be disclosed in response to this item.



## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Advisory Affiliates are related persons of Elevar and serve as general partners to the Elevar Funds. In connection therewith, the Advisory Affiliates maintain investments in the Elevar Funds.

As described in Item 6, Elevar, the Advisory Affiliates and/or an affiliate of Elevar are entitled to receive performance-based profit distributions from the Funds, which may in certain circumstances create a conflict of interest.

Elevar generally seeks to have the Funds make significant investments in Portfolio Companies. The Funds sometimes seek substantial minority positions or, to a lesser degree, control positions in Portfolio Companies, with board representation and customary shareholder rights. As such, Elevar's management persons may have board positions with Portfolio Companies. Certain persons of the management serve, and may in the future serve, on the board of directors of certain of such Portfolio Companies. Elevar does not believe these relationships create a material conflict of interest.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics**

Elevar's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 under the Advisers Act. The Code applies to Elevar's "Access Persons." Access Persons include any member, officer or director of Elevar and employee of Elevar who, in relation to the Funds: (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings; or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. In addition, certain other individuals, such as temporary employees or independent contractors, may also be deemed to be Access Persons by Elevar's Chief Compliance Officer.

The Code sets forth a standard of business conduct that takes into account Elevar's status as a fiduciary to its clients and requires Access Persons to place the interests of the Funds above their own interests and the interests of Elevar. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Elevar's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide Elevar's Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, Elevar's Access Persons must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

The Code also describes Elevar's duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) the Funds. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, Access Persons who possess material non-public information about public companies must not trade in the securities affected by such information, must not disclose such information to anyone who does not have a legitimate need to know it and must immediately disclose such information to Elevar's Chief Compliance Officer.

Investors or prospective Investors may obtain a copy of the Code by contacting Elevar.

### **B. Potential Conflicts**

As explained in Item 10 above, the Advisory Affiliates, which are owned in part by the principals and are related persons of Elevar, serve as the general partners of the Elevar Funds. These Advisory Affiliates also commit capital to the Elevar Funds, and as a result every

investment made by an Elevar Fund involves a purchase of securities whereby related persons of Elevar indirectly acquire an indirect interest in such securities.

Advisory Affiliates maintain investments directly in the Elevar Funds. The fact that Advisory Affiliates (and the principals indirectly through their ownership interests in the Advisory Affiliates) have financial interests in the Elevar Funds could create a potential conflict in that it could cause the Advisory Affiliates to make different investment decisions than if such parties did not have such financial ownership interests. However, Elevar believes that these financial interests align Elevar's and the Advisory Affiliates' incentives with those of the Investors.

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

While it is not Elevar's general policy to invest directly in Portfolio Companies, Elevar has invested directly in one Portfolio Company.

As described in Item 5 above, in limited cases Elevar or an Advisory Affiliate or a principal may receive certain advisory fees, director's fees, break-up fees or other similar fees in connection with portfolio investments of the Funds as compensation for financial advisory and similar services provided by them to the Portfolio Companies. Payment of such fees may create a conflict of interest because it could create an incentive for Elevar or an Advisory Affiliate to cause a Fund to invest its capital in a Portfolio Company that will pay such a fee to Elevar or its affiliate. Elevar mitigates such potential conflicts of interest with respect to the Elevar Funds by requiring that all transaction fees received by Elevar, an Advisory Affiliate or a principal with respect to a portfolio company of an Elevar Funds offset and reduce the management fees that would otherwise be paid by the Elevar Funds. Elevar further mitigates this conflict of interest by negotiating such fees at arm's length with such Portfolio Company and generally seeking to ensure that such fees are, in the good faith opinion of Elevar, in accordance with prevailing market rates in the relevant industry. Elevar does not take into consideration whether a Portfolio Company will pay Elevar or its affiliate a services fee when making an investment determination.

As described in Item 6, Elevar receives management fees from the Funds and Elevar, the Advisory Affiliates and/or Affiliates of Elevar receive performance-based profit distributions from the Funds. The management fees are payable without regard to the overall success or

income earned by the Funds and therefore may create an incentive on the part of Elevar to raise or otherwise increase capital commitments to a higher level than would be the case if Elevar were receiving a lower or no management fee. Performance-based profit distributions may create an incentive for Elevar, Advisory Affiliates or Affiliates of Elevar to make investments that are riskier or more speculative than in the absence of such performance-based profit distributions.

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

In addition, each of the Funds has an advisory board consisting of representatives of certain Investors in the respective Fund. The advisory boards advise and counsel Elevar and the Advisory Affiliates on issues relating to conflicts of interest and matters specifically set forth in the limited partnership agreements. Elevar typically consults with the advisory board of a Fund in question if a significant or material conflict of interest described in this Item 11 arises with respect to such Fund.

In addition, the Code restricts the ability of Access Persons to hold interests in Portfolio Companies outside of their indirect interests through the Advisory Affiliates or the Funds. All such investments require approval of the Chief Compliance Officer, which approval would only be granted once any associated conflicts of interest are adequately addressed and remedied.

Elevar enforces the foregoing policy and manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains pre-clearance and reporting guidelines for Access Persons.

Elevar requires that Access Persons' transactions in certain "reportable securities" (as defined in Section 202(a)(18) of the Advisers Act) be pre-cleared with the Chief Compliance Officer. Further details are available in the Code which is available to Investors upon request.

Elevar maintains a "Restricted List" with the names of issuers of public securities in which Elevar or its affiliates (including Access Persons) holds an interest or about which Elevar or its affiliates (including Access Persons) has learned or may obtain material, non-public information. The Restricted List may include names of other issues including securities with respect to which the Chief Compliance Officer feels there is a conflict of interest. Access Persons are generally prohibited from trading securities on the Restricted List without the prior written consent of the Chief Compliance Officer so that the Chief Compliance Officer may confirm that the proposed investment meets the requirements of the applicable Client Agreements and the Code. If there are no potential conflicts of interests, pre-clearance requests may be approved on a case by case basis.

In addition, Elevar receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer, or his or her designated person, reviews Access

Persons' personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

## **ITEM 12 – BROKERAGE PRACTICES**

### **A. Best Execution and Soft Dollars**

Elevar's investment strategy may involve placing trades with a broker-dealer. Elevar recognizes its duty to seek best execution in effecting transactions on behalf of the Funds.

Elevar has complete discretion in selecting the broker that it uses for Funds and co-investment transactions. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services. In selecting a broker for any transaction or series of transactions, Elevar may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- ability to arrange for sales and transfers of restricted and illiquid securities;
- willingness to execute related or unrelated difficult transactions in the future;
- ability to establish brokerage accounts on an efficient and expedited basis; and
- special execution capabilities.

Although Elevar generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest price. Among other reasons, transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions than would be the case for more routine services.

Elevar does not participate in soft dollar arrangements.

Elevar periodically evaluates the execution performance of brokers to ensure that the services provided are consistent with best execution.

### **B. Aggregation and Allocation of Securities**

Upon determination to buy or sell the same Portfolio Company security on behalf of more than one Fund (based upon the investment mandates and available capital of such Funds), Elevar will generally aggregate such transactions. Private company securities which are a significant part of the investments made by the Funds are generally purchased in private placement transactions, and thus a purchase or sale transaction by multiple Funds will generally be consummated simultaneously. However, there could be circumstances in which the liquidity needs, partnership terms or other considerations require the purchase or sale of Portfolio Company securities by the Funds at different times. In such cases, Elevar will seek to act in a fair and equitable manner with regard to all participating Funds and to take into account the investment objectives and results of each Fund. Notwithstanding the foregoing, the purchase or sale of Portfolio Company securities by different Funds at different times could result in increased transaction costs and different investment results for such Funds and their Investors.

Elevar recognizes that, as a fiduciary, it has a duty to allocate investment opportunities among its advisory clients in a fair and equitable manner. The Funds have overlapping investment programs and may participate in the same investments. If Elevar determines that it would be appropriate for more than one Fund to participate in an investment opportunity, Elevar will seek to allocate the investment opportunity to all of the participating Funds on a fair and equitable basis, as described in greater detail in Item 11 above.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **A. Account Review**

The Funds are under periodic review by the investment professionals of Elevar. Such reviews include a review of investment policy, the suitability of the investments used to meet policy objectives, and investment objectives. Elevar considers, among other things, investment performance, the portfolio's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

### **B. Reporting to Clients and Investors**

Investors in each Fund generally receive quarterly reports after the close of each of the first three calendar quarters, which include quarterly unaudited financial statements, a summary of acquisitions and dispositions of the investments, a list of investments then held, together with a valuation and summary update of such investments of the Fund. Investors in each Fund receive a quarterly capital account balance statement for each calendar quarter-end. Annually, Investors receive an annual financial report audited by a nationally recognized accounting firm, information regarding the Fund necessary for the completion of each Investor's tax return, and a list of investments then held by the relevant Fund and a valuation of such investments.



#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

As Elevar’s advisory clients consist of private pooled investment vehicles, Elevar does not provide compensation for client referrals under Rule 206(4)-3 under the Advisers Act. Elevar may periodically engage third party placement agents to introduce prospective Investors to the Funds. The fees and expenses of any such third-party placement agents will be paid by Elevar or the respective Fund as permitted by the applicable Client Agreement.

## **ITEM 15 – CUSTODY**

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

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

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

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

## **ITEM 16 – INVESTMENT DISCRETION**

Elevar, through the Advisory Affiliates, has discretionary authority to manage securities accounts on behalf the Elevar Funds and provides non-discretionary services for the Sub-Advisory Funds. Elevar is authorized to make transaction recommendations for the Funds. As explained in Item 4.C. above, each Fund's investment strategy is set forth in detail in such Fund's Governing Documents and Client Agreement(s). Except as may be provided in an applicable Client Agreement or side letter, Investors do not have the ability to impose limitations on Elevar's discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

## **ITEM 17 – VOTING CLIENT SECURITIES**

Elevar does not vote securities held by the Funds. Securities held by the Funds are voted by the respective Advisory Affiliate or general partner of the applicable Fund. Any proxies or other solicitations received by Elevar will be reviewed and acted upon by the principals of the Advisory Affiliate or the applicable general partner. Notwithstanding the above, Elevar has adopted a proxy voting policy that is applicable to it and its Advisory Affiliates.

Elevar and its Advisory Affiliates understand and appreciate the importance of proxy voting. Securities held by the Funds are voted by the respective Advisory Affiliate or general partner. Any proxies or other solicitations received by Elevar will be forwarded to a representative of the appropriate Advisory Affiliate or general partner.

Elevar and its Advisory Affiliates have adopted proxy voting policies and procedures that are designed to ensure that when an Advisory Affiliate votes a proxy with respect to securities held on behalf of the Elevar Funds, such proxies are voted in the clients' best interests, in the judgment of the Advisory Affiliate to the extent reasonably practicable. The procedures also require that the Advisory Affiliates identify and address conflicts of interest. If a material conflict of interest is identified, the Advisory Affiliate will determine whether voting in accordance with the guidelines set forth in the procedures is in the best interests of its Elevar Funds or whether taking some other action may be more appropriate.

If a conflict is identified, such individuals will then make a determination (which may be in consultation with outside legal counsel or compliance consultants) as to whether the conflict is material or not. If a conflict is material, the Advisory Affiliate will determine what course of action is in the best interests of the client (which may include utilizing an independent third party to vote such proxies).

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

Investors generally do not have the ability to direct proxy votes. Investors may obtain additional information regarding how the Advisory Affiliate voted proxies and may obtain a copy of Elevar's proxy voting policies and procedures by contacting the Chief Compliance Officer.

## **ITEM 18 – FINANCIAL INFORMATION**

Elevar and its affiliates do not require or solicit prepayment of advisory fees six months in advance. Elevar is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Funds or Investors.