

## **Artivest Alternative Advisors LLC**

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Form ADV Part 2A

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March 2020



# Artivest Alternative Advisors LLC

## Item 1 – Cover Page

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### Artivest Alternative Advisors LLC

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March 2020

Form ADV Part 2A (the “**Brochure**”) is required by the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and provides information about the qualifications and business practices of Artivest Alternative Advisors LLC (“**Artivest**”).

If you have any questions about the contents of this Brochure, please contact Stacie Yates, Chief Compliance Officer of Artivest, at (212) 951-0534 or [stacie@artivest.co](mailto:stacie@artivest.co). 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 or foreign securities authority.

Additional information about Artivest is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search,” select “Investment Adviser Firm” and type in Artivest’s name). Results will provide you with both Parts 1A and 2A of Artivest’s Form ADV.

Artivest is registered with the SEC as an investment adviser. Artivest’s registration as an investment adviser does not in any way constitute an endorsement by the SEC of Artivest’s skill or expertise. Further, such registration does not imply or guarantee that Artivest has achieved a certain level of skill, competency, sophistication, expertise, or training in providing advisory services to its clients. The oral and written communications we provide to you, including this Brochure, serve as information for you to use to evaluate Artivest and should be considered in your decision whether to hire (i.e., by investing in a fund managed by Artivest) or to remain invested in a fund managed by Artivest.



# Artivest Alternative Advisors LLC

## Item 2 – Material Changes

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This Item 2 discusses only material changes since Artivest's initial filing of this brochure in January 2018.

Item 4 was updated to reflect the regulated assets under management as of December 31, 2019.

Item 8 was updated to reflect our updated research review process.

Artivest, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means or in hard copy form). If you would like an additional copy of this Brochure, please download it from the SEC website as indicated above or contact Stacie Yates, Chief Compliance Officer of Artivest, at (212) 951-0534 or [stacie@artivest.co](mailto:stacie@artivest.co).



# Artivest Alternative Advisors LLC

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# Artivest Alternative Advisors LLC

## Item 4 – Advisory Business

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### *Organization:*

For purposes of this Brochure, “Artivest,” “we,” “us,” the “Firm,” or any related terminology refers to Artivest Alternative Advisors LLC, a Delaware limited liability company (“**Artivest**”), which is wholly-owned by Artivest Holdings, Inc. (the “**Company**”) and has its principal place of business in New York, NY. The Company is owned by various persons, including certain management persons and employees of Artivest, none of whom own 25% or more of the Company.

On June 1, 2018, the Company merged with Altegris, an alternative investment manager based in San Diego, California. In connection with the merger, AqGen Liberty Holdings LLC, a parent company of Altegris, became a shareholder of the Company and owns at least 25.0% (but less than 50.0%) of the Company. It thereby indirectly owns at least 25.0% (but less than 50.0%) of Artivest.

Our affiliate, Artivest Advisors LLC, a Delaware limited liability company (“Artivest Advisors”), is registered as a commodity pool operator (a “**CPO**”) with the U.S. Commodity Futures Trading Commission (“**CFTC**”) and provides services to certain private equity and venture capital fund-of-funds.

It is anticipated that the Company and its affiliates will establish, offer, and manage private investment “access funds” (the “**Access Funds**”) that are organized for the purpose of investing in, and acting as feeder funds to, certain underlying master funds (the “**Master Funds**”) that are managed by third-party asset managers (the “**Master Fund Managers**”).

In connection with the establishment of each Access Fund, the Company anticipates that it will establish a separate general partner entity (an “**Artivest GP**”) that will (i) have overall management authority with respect to the applicable Access Fund, (ii) delegate substantially all of such management authority to Artivest under an investment advisory agreement, and (iii) delegate to Artivest Advisors responsibility for compliance with requirements applicable to CPOs with respect to the applicable Access Fund. In this capacity, Artivest Advisors generally will be required to deliver a CFTC disclosure document to prospective investors and to provide the investors in the applicable Access Fund with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

Our affiliate, Altegris Investments LLC, a Delaware limited liability company (“**Artivest Brokerage**”), a wholly-owned subsidiary of Artivest, is a broker-dealer primarily engaged in the private placement of securities and is registered with the SEC and is a member of the Financial Industry Regulatory Authority. Artivest Brokerage is anticipated to serve as one of Artivest’s private placement agents in respect of the Access Funds, as well as certain unaffiliated private investment funds managed by third-party investment advisers. Artivest Brokerage may provide sales support and sales enablement services in connection with the offer and sale, on a private placement basis, of limited partnership interests (or shares, as the case may be) in the Access Funds and unaffiliated investment funds to prospective investors located in the United States or abroad. Artivest Brokerage may receive compensation for its services in respect of certain Access Funds and unaffiliated funds.



Our affiliate, Artivest Solutions LLC, a Delaware limited liability company (“**Artivest Solutions**”), generally develops and provides access to its fund-related, information technology-based platform solutions, as described below.

Our affiliate, Artivest PEVC GP LLC, a Delaware limited liability company (“**Artivest PEVC GP**”), serves as General Partner of the Artivest Private Equity Venture Capital Program LP, a series of private equity and venture capital fund-of-funds.

*Advisory Services:*

It is anticipated that each Access Fund will be structured as a Delaware limited partnership or a Cayman Islands exempted limited partnership, unless a different structure is desirable or necessary in light of tax, regulatory, commercial, or other considerations, as determined in Artivest’s discretion.

Artivest generally will sponsor each Access Fund on behalf of the applicable Artivest GP, and limited partnership interests (or shares, as the case may be) in the applicable Access Fund generally will be offered and sold, on a private placement basis, to high net worth individuals, institutions, family offices, and other sophisticated investors (collectively, the “**Investors**”) that (i) qualify as “accredited investors,” as defined in Rule 501 of Regulation D under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), (ii) “qualified purchasers,” as defined under Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), or (iii) with respect to Access Funds offered in non-U.S. jurisdictions, to persons other than “U.S. persons,” as defined under Regulation S of the Securities Act, who satisfy the applicable private/limited offering requirements of such jurisdiction.

Artivest will seek to structure each Access Fund in a manner intended to qualify for an exemption from registration under the Investment Company Act and to conduct the offer and sale of limited partnership interests (or shares, as the case may be) in the applicable Access Fund in a manner designed to qualify for an exemption from the registration requirements of the Securities Act.

The strategy of Artivest is to seek to leverage its proprietary network within the alternative asset segment to serially establish Access Funds for Master Funds managed by “best-of-breed” Master Fund Managers which pursue compelling investment theses across the alternative asset spectrum, in order to facilitate the opportunity for Investors to access these select Master Fund Managers with substantially lower minimum capital commitments than would otherwise be required if the Investors were to invest directly into the Master Funds. The Access Funds permit Investors to access leading private equity and hedge funds at investment minimums which may be as low as \$100,000, as set forth in the applicable Access Fund’s Constituent Documents.

Each Access Fund will be managed by the applicable Artivest GP in accordance with the objectives and restrictions set forth in the Access Fund’s confidential private placement memorandum, limited partnership agreement (or other constitutional documents), subscription agreement, investment advisory agreement, and/or other applicable constituent documents (collectively, the “**Constituent Documents**”). Neither Artivest nor any Artivest GP tailors the investment objectives of any Access Fund to the objectives of any individual Investors, nor does Artivest or any Artivest GP provide individualized investment advice to any Investors. As such, each Investor should carefully review the Constituent Documents of the applicable Access Fund and the applicable Master Fund and consider whether, and should consult with its own advisers as to whether, an investment in the Access Fund satisfies its individual investment objectives and risk profile prior to making any investment.



Each Master Fund has its own Constituent Documents, which include important disclosures with respect to investment risks, micro/macroeconomic considerations, performance fees, management fees, transaction fees and other fees and expenses, potential conflicts of interest issues, and additional disclosures, as determined by the applicable Master Fund Manager. Generally, Investors are encouraged to review the Constituent Documents of the Master Fund in addition to the Constituent Documents of the Access Fund.

Neither Artivest, nor the applicable Artivest GP, nor any other Artivest affiliate has any control with respect to any Master Fund Manager or any Master Fund in which an Access Fund may invest. Each Access Fund generally is treated by the applicable Master Fund Manager as a single limited partner in the applicable Master Fund and not on a “pass-through basis.” Consequently, the Investors in an Access Fund generally are not treated as investors in the applicable Master Fund and do not have any direct rights with respect to the Access Fund’s limited partnership interest (or shares, as the case may be) in the Master Fund.

As of December 31, 2019, total RAUM of the Private Funds was \$560,789,606, of which \$508,196,395 was managed on a discretionary basis, and \$52,593,211 was managed on a non-discretionary basis.

*Related Brokerage Services:*

Artivest Brokerage, as defined above, is a wholly-owned subsidiary of the Company and generally serves as Artivest’s private placement agent in respect of each Access Fund sponsored by Artivest, as well as certain private investment funds managed by third-party investment advisers. Artivest Brokerage may provide sales support and sales enablement services in connection with the offer and sale, on a private placement basis, of limited partnership interests (or shares, as the case may be) in the Access Funds and third-party investment funds to prospective investors located in the United States or abroad (collectively, the “**Brokerage Services**”).

For additional information on Artivest Brokerage, see Items 10, 11, and 12 below.

*Related Fund IT Solutions Services:*

Artivest Solutions is a wholly-owned subsidiary of the Company and generally develops and licenses, on a white-label basis, proprietary information technology-based platform solutions which include a suite of digital and on-line media tools and streamlined workflows.

By way of illustration only, the platform services rendered by Artivest Solutions in respect of an Access Fund or the applicable Master Fund may include, but not be limited to, some or all of the following services (such services and the portals through which such services are rendered, collectively the “**Platform Services**”):

- Development and maintenance of fully-customized fund webpages, investor portals, and manager portals on the Artivest platform which highlight the strategy, market, team, track record, and offering terms of the Master Funds, and accommodation of ad hoc portal change requests relating to the foregoing;
- Development of detailed Artivest platform client service plans tailored to the client’s individual needs and preferences;
- Review and provision of advice regarding Master Fund Constituent Documents, including the Private Placement Memorandum and other fund offering materials, the Subscription Agreement, and any side letter arrangements.



- ❑ Onboarding of investors and acceptance and processing of subscriptions, contributions, redemptions, distributions, and transfers, and facilitation of the foregoing with on-platform electronic document delivery, review, and signature functions, and coordination with legal counsel, accountants, and other advisers and interested parties regarding the same;
- ❑ Full anti-money laundering and know-your-client due diligence and compliance with jurisdictional requirements for U.S. domestic and offshore investors;
- ❑ Distribution of investor statements, capital call and distribution notices, and reports to legal counsel, accountants, and other advisers and interested parties;
- ❑ Calculation and maintenance of partnership values, fees and accruals, capital account balances (or share registers), and profit and loss allocations on an investor-by-investor and aggregate fund basis;
- ❑ Provision of cash management and wire transfer functions and recording investment transactions and activities;
- ❑ Provision of information required to facilitate preparation of year-end partner tax information on a timely basis;
- ❑ Calculation and maintenance of items of investor income and expenses to support tax and Schedule K-1 preparation by tax advisers and coordination with accountants regarding the undertaking and completion of the audit process; and
- ❑ Facilitation of the Master Fund Manager's communication and coordination with legal counsel, accountants, and other advisers and interested parties and in respect of regulatory filings and procedures.





## Artivest Alternative Advisors LLC

### Item 5 – Fees and Compensation

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#### *Management Fees Payable to Artivest GPs by Access Funds:*

With respect to each Access Fund that relates to a private equity Master Fund, the Access Fund generally pays the applicable Artivest GP (or Artivest) an annual management fee, calculated and charged quarterly in arrears, typically expected to equal between 0.25% and 1.25% of (i) the aggregate capital commitments of the Access Fund during its commitment period, and (ii) the declining balance of invested capital of the Access Fund following the expiration of its commitment period.

With respect to each Access Fund that relates to a hedge fund Master Fund, the Access Fund generally pays the applicable Artivest GP an annual management fee, calculated and charged quarterly in arrears, typically expected to equal between 0.25% and 1.25% of the aggregate capital account balances of the Access Fund, prorated for lesser periods.

Generally and notwithstanding the foregoing, any Artivest GP (or Artivest) may in its discretion waive or otherwise reduce any management fee payable in respect of any period by any Investor in an Access Fund.

As described below, any management fees payable by an Access Fund to an Artivest GP are in addition to the management fees, carried interest, and other fees and expenses payable by the Access Fund in respect of the applicable Master Fund. Prospective Investors should carefully review the Constituent Documents of the applicable Access Fund and the applicable Master Fund for more information regarding the amount, calculation, and payability of such fees.

#### *Management Fees Indirectly Payable to Master Fund Managers by Access Funds:*

In addition to the management fees payable by each Access Fund to the applicable Artivest GP, each Access Fund that relates to a private equity Master Fund generally also bears its ratable share (based on the relative capital commitments of investors in the Master Fund) of the management fees paid by the Master Fund to the applicable Master Fund Manager, which generally represent an annual management fee, calculated and charged quarterly in advance, typically expected to equal between 1.0% and 2.0% of (i) its aggregate capital commitment to the Master Fund during its commitment period, and (ii) its ratable share of the declining balance of invested capital of the Master Fund following the expiration of its commitment period.

Each Access Fund that relates to a hedge fund Master Fund generally also bears its ratable share (based on the relative capital account balances of investors in the Master Fund) of the management fees paid by the Master Fund to the applicable Master Fund Manager, which generally represent an annual management fee, calculated and charged quarterly in advance, typically expected to equal between 1.0% and 2.0% of the aggregate capital account balances of the Master Fund, prorated for lesser periods.

Each Investor in an Access Fund generally bears its ratable share of the foregoing management fees indirectly in its capacity as a limited partner in the Access Fund, which in turn acts as a limited partner in the applicable Master Fund. Prospective Investors should carefully review the



Constituent Documents of the applicable Master Fund for more information regarding the amount, calculation, and payability of such fees.

*Fund Expenses Payable by Access Funds:*

In addition to the management fees payable to the Artivest GP and the applicable Master Fund Manager, each Access Fund generally bears, directly or indirectly (i) all of the fees and expenses associated with its organization, management, operation, and investment activities, and (ii) its ratable share of all of the fees and expenses associated with the organization, management, operation, and investment activities of the applicable Master Fund.

By way of illustration only, such fees and expenses may include, but not be limited to, the following fees and expenses incurred in respect of each Access Fund and the applicable Master Fund, as applicable:

- Organizational expenses (potentially subject to a cap) which generally include, but are not limited to, legal expenses, travel and accommodation expenses, and capital-raising and other expenses incurred in connection with the formation of the Access Fund and the Artivest GP and the offering and sale of limited partnership interests (or shares, as the case may be) in the Access Fund, potentially including fees paid to Artivest Brokerage for the Brokerage Services (for additional information on the Brokerage Services, see Item 14 below) or third-party broker-dealers;
- Investment-related expenses, including but not limited to expenses incurred in holding, developing, operating, managing, monitoring, and disposing of portfolio investments and third-party and other expenses in connection with potential investments that are not consummated;
- Transaction fees, directors' fees, break-up fees, commitment fees, underwriting fees, amendment fees, waiver fees, monitoring fees, consulting fees, advisory fees, closing fees, and other similar fees that may be payable by the Master Fund to the applicable Master Fund Manager and which may not offset or otherwise reduce management fees payable thereto;
- Expenses related to exploring and/or executing a possible portfolio liquidity event or related restructuring, including, without limitation, investment banking, advisory, and consulting fees and expenses;
- Expenses incurred in connection with the carrying or management of portfolio investments, including, without limitation, custodial, trustee, accounting, valuation, record keeping, and other administration fees, as well as portfolio accounting system licenses and fees, including fees paid to Artivest Solutions for the Platform Services;
- Investment-related expenses incurred in connection with any market data and third-party research services;
- Expenses incurred in connection with the preparation and distribution of financial statements and reports, tax returns, Schedules K-1 (and similar schedules), and other communications with fund investors;
- Expenses incurred in connection with borrowing arrangements and/or portfolio investment guarantees;
- Fees and expenses of fund attorneys, accountants, custodians, valuation agents, and administrators;



- ❑ Taxes and other governmental fees and expenses;
- ❑ Insurance premiums, deductibles, or expenses, and regulatory and litigation expenses (and damages), including certain regulatory expenses of Artivest, the applicable Artivest GP, and the applicable Master Fund Manager incurred in connection with the operation of the Access Fund and the Master Fund, including any applicable regulations or other guidance issued under the Advisers Act, the Securities Act, the Investment Company Act, and any applicable state or foreign laws, as well as any agreements or other undertakings entered into with respect to the foregoing;
- ❑ Expenses relating to defaults by Investors in the Access Fund or investors in the Master Fund in connection with the payment of any capital contributions or drawdowns;
- ❑ Expenses incurred in connection with any amendments, restatements, supplements, or other revisions to any of the Constituent Documents or documents ancillary thereto;
- ❑ Expenses incurred in connection with the formation of any alternative investment vehicles, special purpose entities, or subsidiary vehicles, to the extent permitted under the Constituent Documents;
- ❑ Expenses incurred in connection with the ongoing offering of limited partnership interests (or shares, as the case may be) in the Access Fund or the Master Fund, including legal expenses associated with side letter arrangements;
- ❑ Expenses related to the satisfaction of indemnification obligations of the Access Fund or the Master Fund;
- ❑ Expenses incurred in connection with distributions made by the Access Fund or the Master Fund or in connection with any investor meetings;
- ❑ Out-of-pocket expenses incurred by the members of any limited partner advisory committee or other committee in connection with the fulfillment of duties pursuant to the Constituent Documents, including without limitation fees and expenses of such third-party consultants advising as to matters before any such committees;
- ❑ Expenses incurred in connection with the dissolution, winding up, liquidation, or termination of the Access Fund and the Master Fund; and
- ❑ Such other fees, costs, and expenses as may be specified in the Constitutional Documents of the Access Fund or the Master Fund.

Further, an Access Fund and the Applicable Master Fund may pay or otherwise bear, directly or indirectly, certain fees to certain affiliates of Artivest and the Artivest GPs, including without limitation Artivest Brokerage and Artivest Solutions, in connection with services that such persons may provide to or in connection with the operations of the Access Fund and the Master Fund, such as the Brokerage Services and the Platform Services.

Artivest and the Artivest GPs may also engage third-party service providers to the Access Funds to render services in connection with the management of the Access Funds, and the Access Funds may bear all or part of those fees and expenses or they may offset or otherwise reduce the management fees payable to the applicable Artivest GPs.



Artivest and each Artivest GP generally will pay all of its respective overhead expenses, including its employees' salaries and benefits, rent, and utilities.

Artivest and each Artivest GP may use a portion of its management or sponsor fees paid to it by an Access Fund by an Access Fund to pay referral fees to broker-dealers who refer investors to the Access Fund (each a "**Selling Agent**"), including Artivest Brokerage.

In certain instances, on a negotiated basis, Artivest Brokerage will receive a placement agent fee from an Underlying Fund manager in connection with investments made by an Access Fund into such Underlying Fund. When applicable, this fee is paid by the Underlying Fund manager to Artivest Brokerage and does not increase the amount of fees and expenses paid by the Access Fund (or its investors) to the Underlying Fund.



## **Artivist Alternative Advisors LLC**

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

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At this time, the Advisor does not charge performance-based fees of the Investors' investments in the Access Funds.

However, with respect to each Access Fund that relates to a private equity Master Fund, the Access Fund generally bears its ratable share of the carried interest payment or profit allocation to which the Master Fund Manager generally is entitled under the Constituent Documents and which typically equals between 10.0% and 20.0% of Master Fund net profits, calculated on a funds-as-a-whole basis and typically subject to a preferred return of between 8.0% and 10.0% , a general partner catch-up of between 50.0% and 100.0%, and a contractual clawback obligation.

Further, with respect to each Access Fund that relates to a hedge fund Master Fund, the Access Fund generally bears its ratable share of the carried interest payment or profit allocation to which the Master Fund Manager generally is entitled under the Constituent Documents and which typically equals between 10.0% and 20.0% of Master Fund net profits, calculated and allocated quarterly or annually and subject to a high-watermark.

Each Investor in an Access Fund generally bears its ratable share of the foregoing carried interest payments or profit allocations indirectly in its capacity as a limited partner in the Access Fund which in turn acts as a limited partner in the applicable Master Fund. Prospective Investors should carefully review the Constituent Documents of the applicable Master Fund for more information regarding the amount, calculation, and payability of such performance-based fees.



## Artivest Alternative Advisors LLC

### Item 7 – Types of Clients

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The Access Funds are the advisory clients of Artivest and the Artivest GPs. Artivest sponsors each Access Fund on behalf of the applicable Artivest GP, and limited partnership interests (or shares, as the case may be) in the Access Fund are offered and sold, on a private placement basis, to Investors who are high net worth individuals, institutions, family offices, or other sophisticated investors that qualify as “accredited investors,” as defined in Rule 501 of Regulation D under the Securities Act, or “qualified purchasers,” as defined under Section 2(a)(51) of the Investment Company Act. With respect to Access Funds offered in non-U.S. jurisdictions, Artivest generally will offer interests in such Access Funds to persons other than “U.S. persons,” as defined under Regulation S of the Securities Act, who satisfy the applicable private/limited offering requirements of such jurisdiction.

Each of the Access Funds is structured in a manner intended to qualify for an exemption from registration under the Investment Company Act, and the offerings and sales of limited partnership interests (or shares, as the case may be) in each Access Funds are conducted in a manner intended to qualify for an exemption from the registration requirements of the Securities Act.

The initial closing of an Access Fund is generally not subject to a minimum aggregate capital commitment raise; however, the minimum capital commitment of an Investor in an Access Fund is generally between \$100,000 and \$250,000, subject to the applicable Artivest GP’s discretion to accept lesser amounts.



## Artivest Alternative Advisors LLC

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

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

The strategy of Artivest is to seek to leverage its proprietary network within the alternative asset segment to serially establish Access Funds for Master Funds managed by “best-of-breed” Master Fund Managers pursuing compelling investment theses across the alternative asset spectrum, in order to facilitate the opportunity for Investors to obtain access to these select Master Fund Managers on the basis of a substantially lower minimum capital commitment than generally would otherwise be required if the Investors were to invest directly into the Master Funds.

Artivest seeks to accomplish its strategy by leveraging its network to source these select Master Funds and employing a rigorous screening and due diligence process. Prior to Artivest’s negotiation of an Access Fund’s investment rights in respect of a prospective Master Fund, the Artivest fund research team, which is comprised of both investment and operational due diligence team members, (the “**Research Team**”) gathers preliminary information on the prospective Master Fund and its strategy, reputation, track record, and projected returns before any investment decision is made, in order to ensure that the investment conforms to Artivest’s philosophy, standards, and objectives. The Research Team typically meets in-person with the key executive and operational personnel of the prospective Master Fund and undertakes a review of the firm’s investment strategy, as well as actual historical performance versus target performance, particularly in relation to any predecessor investment funds or other portable performance history.

In the event that the Research Team deems a prospective Master Fund to be potentially suitable for Access Fund investment, the Research Team presents the manager to the Investment Committee (“IC”), which reviews the prospective Master Fund’s key investments and operations personnel as well as the firm. The background checks generally include independent verification of the details of the executive and operational personnel’s backgrounds, including education, prior employment, and certifications, as well as searches for prior or outstanding litigation and regulatory disciplinary histories and fines. The ODD Firm generally presents its report and findings to Artivest’s Investment Committee (the “**IC**”) for approval or rejection of an Access Fund capital raise and investment in the prospective Master Fund.

**Investment Committee.** The IC consists of senior executives of the Adviser and its affiliates. The IC generally (i) performs an ongoing top-down strategy review to determine any potential opportunities for the lineup of strategies recommended by, or allocated to, by the Adviser and (ii) directs the Adviser’s research team as to a bottom-up approach to identify potential managers or strategies that may meet the Adviser’s performance objectives and investment strategy themes. The IC is ultimately responsible for approval and/or removal of all managers of strategies accessed by the investment portfolios of the Access Funds, as directed by, or upon the recommendation of, the Adviser.

The IC believes that an essential element of successful private equity investing is early recognition of macroeconomic and microeconomic forces that will impact the financial and operating prospects of Fund portfolio companies in the future. Industry knowledge of new technology, potential legislation, demand for services and products, and shifting patterns of consumer choice are critical to determining value. The IC therefore generally seeks to confirm that the subject executive and operational personnel’s pedigree and experience include deep and relevant industry knowledge in the prospective Master Fund’s target markets and sectors.

To the extent that relevant information and research is reasonably available, the IC generally considers a



range of factors when forming a view of the relevant industry trends, the drivers of growth, and the general attractiveness of the opportunity and in evaluating whether to approve or reject a prospective Master Fund for Access Fund investment, and these factors may include, but are not limited to:

- ☐ Master Fund Management
  - Depth at executive and operating levels
  - Experience and references
  - Fund structure and anticipated investor base
  - Incentive structure
- ☐ Target Markets
  - Size





- Growth rates
- Competitive landscape
- Product cycles
- Regulatory climate
- Margins

□ Target Sectors

- Product and customer bases
- Intellectual property
- Capital intensity
- Historical and projected growth
- Competitive landscape

In the event that the IC approves the establishment and offering of an Access Fund for purposes of making an investment in a prospective Master Fund, Artivest negotiates and documents the terms of the investment, efficiently closes the transaction, and proceeds to establish and market the related Access Fund.

Prospective Investors on the Artivest platform subsequently may view the newly established Access Fund profile as a new investment option that is available and permissioned to them on the platform.

### *General Risks*

#### *Risk of Loss:*

The list of risk factors set forth below is neither a complete list of all risks associated with an investment in an Access Fund nor a complete explanation of the enumerated risks. Prospective Investors are urged to carefully consider the risks of an investment in any Access Fund, which include, but are not limited to, the risks outlined below, to consult their legal counsel, tax advisers, accountants, and other advisers in connection with any proposed investment in an Access Fund, and to carefully review the applicable Constituent Documents, including without limitation the Private Placement Memorandum of each Access Fund and the applicable Master Fund, prior to making any investment. Investment in the Access Funds is intended only for experienced and sophisticated investors who are willing to bear the high economic risks of the investment.

Certain risks associated with an investment in the Access Funds involve partial or complete losses due to leverage or other speculative practices. Investors' investments in the Access Funds may also be subject to return volatility, higher carrying costs than the costs associated with conventional investments, and limited diversification and information rights. Prospective investors will be required to complete and submit a Subscription Agreement to an Access Fund with respect to each proposed investment, and the Subscription Agreement will require that the Investors represent and warrant that they are sufficiently sophisticated and qualified for investment in the Access Fund, that they are aware of and accept all risks involved therewith, and that they can afford to bear a complete loss of the investment.

In certain circumstances, the risk of loss to an Access Fund may be wholly derivative of the risk of loss to the applicable Master Fund. Further, certain risks of loss may relate solely or substantially to Master Funds serving principally as private equity funds or hedge funds and engaging in strategies and investment activities typically associated with a closed-end fund or an open-end fund. An Access Fund's returns generally will be substantially derivative of the performance of its investment in the applicable Master Fund, and there can be no assurance that the applicable Master Fund will successfully execute its objectives or strategies. In establishing and offering the Access Funds, neither Artivest nor any of the Artivest GPs or any of their affiliates is providing investment



advice or making any recommendation as to the advisability of an investment in any Access Fund or any Master Fund.



Neither Artivest nor any of the Artivest GPs or their affiliates will participate in the management or control of any of the Master Funds or generally have any influence with respect to their activities. As such, an Investor's investment in an Access Fund is subject to all the risks of malfeasance, negligence, and poor judgment on the part of the applicable Master Fund Manager to which investors in the applicable Master Fund are subject, except that the Investor's investment in the Access Fund represents only indirect investment in the Master Fund and does not carry any of the voting or other rights that a direct investment in the Master Fund generally carries. Further, the Private Placement Memoranda of an Access Fund and the applicable Master Fund, as well as the balance of Constituent Documents, will generally provide for broad indemnification of the Artivest GP, the Master Fund Manager, and their respective affiliates, directors, officers, employees, and agents, as well as exculpation for conduct not involving willful malfeasance, fraud, or gross negligence, making any recovery by an Investor against such persons for wrongful acts uncertain, expensive, time-consuming, and, in certain cases, impracticable.

**"Fund,"** as used in the discussion below and as the context requires, means any or all of the Access Funds and/or the Master Funds, as applicable. **"General Partner,"** as used in the discussion of risks of loss below and as the context requires, means any or all of the Artivest GPs, Artivest, and/or the Master Fund Managers, as applicable.

#### Cybersecurity Risk

With the increased use of technologies such as the Internet to conduct business, the Adviser and the Funds are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Adviser, sub-adviser(s) and other service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of Funds and/or investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a Fund invests, counterparties with which a Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and other service providers for Funds) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While a Fund's service providers may have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Adviser cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect a Fund. As a result, Funds and their investors could be negatively impacted.

Limited Operating History. A Fund may be newly former or otherwise have limited or no operating history upon which prospective investors may evaluate the likely performance of the Fund. The success of a Fund will depend substantially on the skill and expertise of executive and operational employees of the General Partner, and there can be no assurance that these key persons will continue to be involved in the activities of the General Partner for the duration of its business.



Multiple Levels of Fees; Lower Returns. Investors in an Access Fund will (a) directly bear both fees and expenses (including, without limitation, a management fee and a placement fee, if applicable) incident to holding an Interest in an Access Fund, and (b) indirectly bear their ratable shares of the fees, expenses, and performance allocations of the applicable Master Funds. Such additional fees and expenses at the level of an Access Fund will further reduce net returns to Investors in an Access Fund. An Investor in an Access Fund will incur a higher aggregate amount of direct and indirect fees and expenses than such Investor would have otherwise incurred had it invested directly in the applicable Master Fund. Hence, an Investor may generally expect to obtain a lower rate of return on its investment in an Access Fund than such Investor would have otherwise obtained had it invested directly in the applicable Master Fund.

Substantial Reserves and Diminished Returns. An Access Fund may from time to time hold up to 100% of its total assets in cash (which may or may not earn interest at the sole discretion of Artivest) or money market instruments (a) pending investment in the applicable Master Fund or as Artivest determines is necessary or prudent, in its sole discretion, or (b) pursuant to the retention of appropriate reserves or to pay current or anticipated expenses of such Access Fund.

Artivest may reserve, accrue, or hold back in the Reserve Account from the proceeds of any capital contribution from, or from the proceeds otherwise payable or distributable with respect to any withdrawal of or distribution to, any Member such amount as Artivest deems in its sole discretion to be sufficient to satisfy the Management Fee, the administration fee, the Distribution Fee, if any, or any other fees, costs, or expenses that Artivest anticipates, as determined in its sole discretion, to be incurred and payable over the any period.

To the extent that Artivest causes an Access Fund to take reserves, such that less than 100% of the net investable proceeds relating to the offering of Interests will be invested in the applicable Master Fund, such reserves may reduce the investment returns of Investors by reducing the amount of such Access Fund's invested capital in the applicable Master Fund.

Conflicts of Interest. Conflicts of interest may arise between or among the interests of any of the Funds, Artivest Brokerage, Artivest Solutions, or any of the General Partners or any of their respective affiliates. A Fund's Constituent Documents generally grant the General Partner broad discretion as to many matters and limits on duties, whether fiduciary or contractual, to the Fund. A General Partner may provide similar services for other persons or engage in any business activity other than in the provision of services in relation to the Fund and, further, may, subject to any restrictions in the Constituent Documents, act as a sponsor, general partner, manager, or sub-adviser of, or as a provider of investment opportunities to, any other partnership, company, trust or other investment vehicle, which partnership, company, trust or other investment vehicle may have investment objectives that overlap significantly with, or are identical to, those of the Fund and may acquire or seek to acquire investments that create conflicts of interest between or among the Fund and any such partnership, company, trust or other investment vehicle. In such cases, conflicts of interest may also arise in allocating management time, services, or functions between or among the Fund and any such partnership, company, trust, or other investment vehicle for which directors, officers, principals, or employees of a General Partner may provide services. A further risk of conflicts of interest is inherent in the ownership of the entities that have negotiated and concluded the Constituent Documents of a Fund.

Fee Incentives. In some cases, fees charged by a General Partner may be greater than fees charged by other investment advisers for similar services; in other cases, their respective fees may be lower. Further, the fact that the General Partner may, in certain circumstances set out in the Constituent Documents, act as general partner, manage, advise, or otherwise be involved in the operation of



other investment vehicles may be viewed as creating a conflict of interest insofar as its principals, officers, and employees are not devoted exclusively to the business of the Fund but must be allocated between or among the Fund's business and such other activities. Other investment funds that the General Partner may act as general partner in respect of, manage, advise, or otherwise be involved in the operation of, in the circumstances permitted in the Constituent Documents, may also have compensation and profit-sharing arrangements that differ from those provided for in the Constituent Documents, and which may create incentives that could affect decisions of the General Partner as to how to allocate its resources and investment opportunities. Further, the structure and payment of the carried interest, or the allocation of the incentive allocation, by the Fund to the General Partner may involve a conflict of interest because it may create an incentive for the General Partner to cause the Fund to undertake riskier or more speculative investments than would otherwise be undertaken in the absence of such incentive, or to prolong or shorten the period of such investments.

Distributions In-Kind. Investors in an Access Fund may receive in-kind distributions in the event that the applicable Master Fund distributes securities in-kind to its investors, and such securities may not be marketable or otherwise freely tradable or transferable. With respect to any such securities or other assets distributed in-kind, the risk of loss generally will be borne by the Investors, such that the Investors may receive a return that is lower than the fair value of such securities assigned thereto by the applicable Artivist GP under the Constituent Documents.

Uncertain Timing of Investor Contributions. Neither Artivist nor any Artivist GP can accurately predict the timing and amount of any drawdowns or capital calls that will be issued to Investors by an Access Fund, and such calls and drawdowns are expected to be made on an irregular basis. In general, it is anticipated that such calls and drawdowns will be made by an Access Fund on an as-needed basis to fund its organizational and ongoing expenses and reserves and to fund its capital commitment to the applicable Master Fund as and when that commitment is called or drawn down. In the event that an Investor fails to satisfy a capital call or drawdown, the Investor may be subject



to severe consequences pursuant to the default provisions and remedies of the Fund's Constituent Documents, including without limitation possible forfeiture of part or all of the Investor's limited partnership interest (or shares, as the case may be) in the Access Fund, the suspension of distribution rights (but with the continuing obligation to answer capital calls or drawdowns), and the imposition of default interest charges. Further, in the event that an Investor fails to satisfy a capital call or drawdown, the other Investors in the Access Fund, and the Access Fund itself, may be materially prejudiced in the event that the Access Fund is incapable of satisfying its own expenses, reserves, or a capital call or drawdown received from the applicable Master Fund.

Market Conditions and Financial Market Fluctuations. Markets and economic conditions throughout the world materially affect a Fund's investments and these conditions and related factors generally include, but are not limited to:

- ☐ Interest rates;
- ☐ Availability and terms of credit;
- ☐ Inflation rates;
- ☐ Economic uncertainty;
- ☐ Changes in laws and regulations and regulatory interventions;
- ☐ Changes in fiscal policies;
- ☐ Trade barriers;
- ☐ Commodity prices;
- ☐ Currency exchange rates and controls; and
- ☐ National and international political circumstances.

Challenging market conditions are likely to adversely affect a Fund and its returns by reducing the value or performance of its investments or by reducing its ability to raise or deploy capital. Instability in the securities markets and economic conditions generally also increase the risks inherent in the Funds' investments. For example, volatile market conditions can lead to significantly diminished availability of credit and an increase in the cost of fundraising, which can materially hinder the initiation of leveraged transactions. In addition, the ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market, and economic conditions at the time of such realizations.

It is unclear what changes the current U.S. presidential administration will enact in the future and how they will impact us, the Funds, the Funds' investments and the Funds' investors. Uncertainty regarding future political, legislative, and administrative developments may cause volatility in the U.S. or global economies and financial markets more generally, which in turn may have an adverse effect on the values of the Funds' investments and on the Funds' ability to execute their investment strategies. While the Funds and their investment programs may stand to benefit from certain potential regulatory changes, other potential changes may adversely affect the Funds.

As a result of the foregoing, we may not be capable of, or successful at, preserving the value of Fund assets, generating positive investment returns, or effectively managing Fund risks.

Furthermore, *force majeure* events that are incapable of or are too costly to cure may have a permanent adverse effect on portfolio investments of the Funds. Certain *force majeure* events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the



world economy and international business activity generally, or in a country in which a Fund has invested specifically. Any of the foregoing may therefore adversely affect the performance of any of the Funds advised by the Adviser. In addition, the cost to a Fund, the Adviser or its affiliates of repairing or replacing damaged assets or systems resulting from such a *force majeure* event could be considerable. While the Adviser has adopted certain policies and procedures designed to restore and/or continue the Adviser's business and operations in such situations, there is no guarantee that such policies and procedures will be effective in any of such situations or will be implemented in time, and the Funds may be adversely affected thereby.

Competition for Investments. The Funds generally compete for investment opportunities with other public and private funds and other investment vehicles having similar investment objectives. Potential competitors include other investment funds, business development companies, strategic



industry acquirers, and other financial investors investing directly or through affiliates. Certain of these entities may possess competitive advantages over a Fund, including greater financial, technical, marketing, and other resources, higher risk tolerances, different risk assessments, lower return thresholds, lower costs of capital, access to funding sources unavailable to a Fund, and an ability to achieve synergistic cost savings in respect of an investment. In addition, a substantial number of private investment funds exist, many substantial in size, which creates a significant amount of capital available for investment in such opportunities.

Risks Associated with Publicly Traded Securities. From time to time certain Funds may invest in publicly traded securities and hold publicly traded securities following a partial exit from an investment. Investments in securities of publicly traded companies are sensitive to general movements in the stock market and trends in the overall economy. Moreover, the ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Potential Lack of Diversification. While diversification is generally a Fund objective, there is no assurance as to the degree of diversification that will actually be achieved in a Fund's investments. Because a substantial portion of certain Funds' committed capital could be invested in a single portfolio company or asset, a loss with respect to any single portfolio company could have a significant adverse effect on a Fund's returns. Co-Investment Vehicles formed for the purpose of pursuing a particular investment strategy or a particular transaction may be particularly exposed to the legal and financial risks associated with that strategy or transaction, as applicable, and generally may not be able to achieve a level of diversification comparable to the Funds. Even if a Fund achieves significant diversification, such diversification may not necessarily provide meaningful risk control and may reduce a Fund's profit potential if certain investments were unprofitable while others are profitable.

Reliance on Fund Professionals. The success of a Fund may depend in large part upon the skill and expertise of a Fund's professionals and those of us and our affiliates, and there can be no assurance that any individual professional will continue to be associated with a Fund or with us or our affiliates. The ability to recruit, retain, and motivate qualified professionals is dependent in part on a Fund's ability and our ability and that of our affiliates to offer attractive incentive opportunities. There is competition among alternative asset firms, financial institutions, private equity firms, investment managers, and other industry participants for hiring and retaining qualified investment professionals. Should any of our professionals join or form a competing firm, become incapacitated, or in some other way cease to participate in investment activities of a Fund or us or our affiliates, a Fund's performance could be adversely affected. If legislation were to be enacted to treat carried interest as ordinary income rather than a capital gain, the amount of taxes that a Fund's professionals and our professionals would be required to pay with respect to their carried interest could materially increase, thereby adversely affecting their ability and our ability and that of our affiliates to offer such attractive incentive opportunities.

Reliance on the Management of Portfolio Companies. There can be no assurance that any portfolio company's management team will be able to operate successfully. With respect to emerging companies, we may have limited ability to evaluate the management of such companies based on past performance, and such companies may rely more on individual members of the management team than more established companies do. In addition, instances of fraud and other deceptive practices committed by the management teams of portfolio companies may undermine our due diligence efforts. If such fraud is discovered, it could adversely affect the valuation of the Fund's investment.





Extensive Government Regulation. The extensive government regulation of certain industries in which certain Funds invest creates additional uncertainty and risks for the Fund. Obtaining regulatory approval is often a lengthy and expensive process with an uncertain outcome, and portfolio companies are unable to obtain necessary regulatory approvals on a timely basis, if at all, which could materially and adversely affect portfolio company performance.

Tax Considerations. We expect the Funds to be subject to income and/or withholding taxes in the various jurisdictions in which they conduct investment activities. The rate of any withholding taxes and the creditability of such foreign taxes typically depend in part on the facts and circumstances relating to the particular investment and generally would differ for each investment. The Funds may invest in jurisdictions in which the tax treatment of the Funds and their activities is uncertain or subject to changing interpretations (including retroactively) or enforcement practices. The Funds may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions.

Changes in the Political Environment of the United Kingdom and Europe. The global economy may be adversely affected by changes in the political environment of the United Kingdom and Europe following the result of the United Kingdom's referendum on June 23, 2016, calling for the United Kingdom to withdraw from the European Union, or "Brexit." In accordance with the referendum, the UK government gave notice on March 29, 2017, of the United Kingdom's withdrawal from the European Union, commencing negotiations regarding the United Kingdom's orderly exit from the European Union and the terms of the United Kingdom's relationship with the European Union thereafter, including with respect to trade. This negotiation process is likely to be lengthy and complicated. Although we cannot predict the full impact of Brexit, Brexit could have a significant adverse impact on United Kingdom, European, and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax, and economic uncertainty. The announcement of Brexit caused significant volatility in global stock markets and currency exchange rate fluctuations. Brexit's continuing or future macroeconomic effects could adversely affect the value of a Fund's investments and ability to access markets, as well as limit the Fund's investment opportunities and exit options.

Significant Regulatory Scrutiny. The financial services industry generally, and the activities of private investment funds and their managers, in particular, have in recent years been subject to intense regulatory oversight. As a result of such oversight, we anticipate that, in the normal course of business, the Funds will have contact with governmental authorities and/or be subjected to responding to inquiries or examinations. We would also expect the Funds to be subject to regulatory inquiries concerning their securities positions and trading.

The passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Pursuant to the Dodd-Frank Act, the SEC adopted rules that require reporting by registered investment advisers to private funds, which have added costs to Fund legal, operations, and compliance obligations and have increased the amount of time that we spend on non-investment-related activities.

While the current U.S. presidential administration may call into question the continued application and implementation of the Dodd-Frank Act, it currently affects a broad range of market participants with whom the Funds interact or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, broker-dealers, futures commission merchants, and swap dealers. It is difficult to predict the future of the Dodd-Frank Act or to anticipate the effect of these and other regulatory changes on a Fund and its General Partner,



and such continued uncertainty makes markets more volatile, making it increasingly difficult for us to execute the investment strategy of a Fund.

Further, the implementation of the European Union's Directive 2011/61/EC on Alternative Investment Fund Managers (the "**AIFM Directive**") could have an adverse effect on the continued operation of a Fund where limited partner interests are offered to or placed with investors in any European Economic Area ("**EEA**") Member State that has implemented the AIFM Directive. The AIFM Directive applies to the manager of any investment fund that is not authorized under the Undertakings for Collective Investment in Transferable Securities Directive (an "**AIF**") or does not otherwise fall within a relevant exclusion under the AIFM Directive (an "**AIFM**").

A Fund's general partner will be restricted in marketing the Fund to investors who are domiciled or have a registered office in any EEA Member State where the AIFM Directive is in force. This could limit the Fund's ability to attract investors, resulting in a lower overall amount of capital, which limits the range of investment strategies and investments that the Fund is able to pursue and make.

A General Partner may be required to comply with additional initial disclosure, annual reporting, and regulatory filing requirements in relation to a Fund and, in certain EEA Member States, may be required to comply with registration requirements, including the requirement to appoint a depositary. Compliance with these requirements will result in additional costs to the applicable Fund, reducing the returns for investors. The need to comply with any such registration requirements has the potential to delay the fundraising process, thereby reducing the speed with which the General Partner can deploy the capital raised.

The AIFM Directive imposes certain requirements and restrictions on a Fund where the Fund acquires control of a portfolio company in an EEA Member State. These requirements include making certain notifications and disclosures where a Fund acquires or disposes of shares in an EEA portfolio company. The restrictions will include restrictions on the extent to which a Fund can bring about or support distributions, acquisition of shares, or reductions in the capital of an EEA portfolio company. These requirements and restrictions could limit the use of certain investment and realization strategies, such as dividend recapitalization and reorganizations.

These requirements and restrictions could also place a Fund at a disadvantage against competitors that do not use a fund structure or whose fund(s) have not been marketed in any EEA Member State. In addition, compliance with these requirements and restrictions often results in additional costs to a Fund, reducing the returns for investors.

There remains some uncertainty as to the manner in and extent to which the AIFM Directive is being implemented in various EEA Member States. This uncertainty increases the risk of a breach by a General Partner in an EEA Member State of the requirements imposed by the AIFM Directive. Such a breach could result in a regulatory authority or court in that or another EEA Member State requiring the General Partner to return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against a Fund or the General Partner. This could result in a reduction in the overall amount of capital available to a Fund, thus potentially limiting the range of investment strategies and investments that the Fund is able to pursue and make or otherwise result in a loss to the Fund.

Early-Stage Investments. Certain Funds invest in early-stage investments and, while early-stage investments offer the opportunity for significant capital gains, such investments typically involve a higher degree of business and financial risk that can result in substantial or total loss. Many early-stage portfolio companies will operate at a loss or with substantial variations in operating results



from period to period, and many will need substantial additional capital to support additional research and development activities or expansion or to achieve or maintain a competitive position. Early-stage portfolio companies often face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing, and service capabilities and a larger number of qualified managerial and technical personnel. With respect to a portfolio company that has only one product under development, a failure to obtain necessary licensing, approvals, or other necessary government action with respect to such product can cause the entire company to fail.

Additional Capital Requirements of Portfolio Companies. Certain of a Fund's portfolio companies, especially those in a development phase, may require additional financing to satisfy their working capital requirements or acquisition strategies. Each round of financing is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone, and the amount of such additional financing will depend upon the maturity and objectives of the portfolio company. If the funds provided are not sufficient, a portfolio company may have to raise additional capital at a price unfavorable to the existing investors, including the Fund. A Fund also may make additional debt and equity investments or exercise warrants, options, or convertible securities it acquired in the initial investment in a portfolio company in order to preserve the Fund's proportionate ownership when a subsequent financing is planned, or to protect the Fund's investment when a portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of a Fund or any portfolio company. There can be no assurance that we will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Investments in Junior Securities. The Funds may invest in companies that have already received one or more rounds of financing. The securities in which a Fund may invest in these instances may be among the most junior in a portfolio company's capital structure and thus subject the Fund to a greater risk of losing all or part of its invested capital. There may often be no collateral to protect a Fund's investment in such securities.

Uncertainty Regarding Investments. Although we dedicate substantial time and resources to conduct appropriate due diligence prior to forming and marketing an Access Fund to make an investment in the applicable Master Fund, the due diligence process is subjective at times and is generally required to be undertaken on an expedited basis or on the basis of imperfect information in order to take advantage of available investment opportunities. The due diligence process also at times requires us to rely on the limited resources available to us, including information provided by the prospective Master Fund and third-party consultants, legal advisers, accountants, or investment banks. As a result, there can be no assurance that the due diligence investigation will reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. Our due diligence investigations cannot ensure the success of any Access Fund investments.

Dependence on Patents, Trademarks, and Other Intellectual Property. The success of certain Fund investments may depend heavily on intellectual property rights, including patents, trademarks, and service marks. The ability to effectively enforce patent, trademark, and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a portfolio company's particular product.



Risk of Leverage. The Funds may, from time to time, directly or indirectly borrow funds or enter into other financing arrangements to pay fund expenses, make or facilitate new or follow-on investments, make payments under guarantee, surety or hedging transactions, fund the payment of any withholding or other tax on behalf of or with respect to any investor, cover any shortfall resulting from an investor's default or exclusion, or make or facilitate distributions of proceeds from an investment.

The use of borrowed funds creates the opportunity for greater total returns, but at the same time involves certain risks. Because any decline in the value of a Fund's investments would be borne entirely by its investors, the effect of leverage in a declining market would result in a greater decrease in capital than if the Fund was not leveraged.

To the extent a Fund borrows in advance or in lieu of capital contributions, its investors will make correspondingly later or smaller capital contributions. Also, to the extent a Fund borrows to facilitate distributions of proceeds from an investment, investors will receive distributions earlier. As a result, the use of borrowed funds can impact calculations of the fees and carried interest payment or profit allocation that a Fund's general partner receives, as these calculations generally depend on the amount and timing of capital contributions and distributions of proceeds. In addition, use of borrowed funds at times may impact the calculation of certain net performance metrics that we typically present in a Fund's periodic reports.

Certain Funds may not be successful without the use of a substantial amount of leverage in their portfolio companies, which can be costly or unavailable. It is possible that the inability of a Fund to obtain a desired amount of leverage will limit the Fund's overall investment exposure, thereby reducing the Fund's performance. Funds borrowed for leveraging will be subject to interest, transaction, and other costs, and other types of leverage also involve transaction and other costs. Certain of such costs will likely not be recovered by the return on a Fund's portfolio. The use of leverage will decrease the investment return if a Fund fails to recover the cost of such leverage.

Certain Funds' investments may be in portfolio companies whose capital structures have significant leverage. Although a Fund will seek to use leverage in a prudent manner, the leveraged capital structure of such investments may increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the portfolio companies or their industries. The incurrence of significant indebtedness could also subject such portfolio companies to restrictive covenants, terms, and conditions the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow. Any such restrictive covenants, terms, and conditions could also limit such portfolio companies' ability to respond to changing industry conditions, make necessary capital expenditures, obtain additional financing, take advantage of growth opportunities, or engage in strategic acquisitions.

Leverage may be incurred at the level of a Fund, a portfolio company, or a special purpose vehicle formed to invest in or hold one or more portfolio companies. Borrowings by entities other than a Fund may not constitute Fund borrowings for the purpose of applying any limitations on borrowings under the Constituent Documents.

In addition, a Fund may enter into contractual arrangements, including deferred purchase price payments, staged funding obligations, earn outs, milestone payments, and equity commitment letters and other forms of credit support, that obligate it to fund amounts to special purpose vehicles, portfolio companies, or other third-parties. Such arrangements may not constitute borrowings or guarantees under the Constituent Documents and may not be subject to the related caps, even



though these arrangements pose many of the same risks associated with the use of leverage that the caps intend to address.

Availability of Financing. A Fund's ability to invest in portfolio companies may often depend on the availability and terms of any borrowings that are required or desirable with respect to such investments. For example, from time to time the market for private investment transactions has been adversely affected by a decrease in the availability of senior or subordinated financings for transactions. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, would impair a Fund's ability to consummate these transactions and would adversely affect the Fund's returns.

Investments in Restructurings. Certain Funds may invest in restructurings involving portfolio companies that are experiencing or are expected to experience financial difficulties. These portfolio companies may never overcome these financial hardships and may become subject to bankruptcy proceedings. Investments in restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, and lender liability and by a bankruptcy court's discretionary power to disallow, subordinate, or disenfranchise particular claims or recharacterize investments. Such investments could, in certain circumstances, subject a Fund to certain additional potential liabilities that have the potential to exceed the value of its original investment. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor will have its claims subordinated or disallowed or found liable for damages suffered by parties as a result of such actions.

Investments in Operating Turnarounds. In some cases, the success of a Fund's investment strategy will depend in part on the General Partner's ability to restructure and improve the operations of a portfolio company. As there can be no assurance that we will be able to successfully identify and implement restructuring programs and improvements, an investment with a turnaround strategy may not be successful.

Non-U.S. Investments. Certain Funds from time to time make investments outside of the United States, including in certain emerging foreign markets. Investments in the securities of foreign issuers may be restricted or controlled to varying degrees. These investments require consideration of certain risks typically not associated with investing in U.S. securities or property, including, among other things, trade balances and imbalances and related economic policies, potential price volatility in, and relative illiquidity of, some non-U.S. securities markets, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the U.S. or foreign governments, U.S., foreign, or other withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, and political difficulties, including expropriation of assets, confiscatory taxation, and economic or political instability in foreign nations.

Laws and regulations of foreign countries may impose restrictions that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. There is generally less publicly available information about certain foreign companies than would be the case for comparable companies in the United States, and certain foreign companies are not subject to accounting, auditing, and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Some countries require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular company or restrict investment by foreign persons to a specific class of securities of a company that have less advantageous terms than the classes available for purchase by nationals. Certain countries require governmental approval for the





repatriation of investment income, capital, or the proceeds of sales of securities by foreign investors.

A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital or earnings, as well as by the application to the Fund of restrictions on investments. In addition, because a Fund's investments in other countries will likely be denominated in the currencies of such countries, a change in the value of these currencies against the U.S. dollar will result in a corresponding change in the U.S. dollar value of the Fund's assets denominated in those currencies.

Investments in Developing Market Countries. Certain Funds make investments in developing market countries. Investments in developing market countries are often subject to additional, substantial risks in political and macro-economic conditions, such as significant currency fluctuations, changes in governmental controls over the economy, and high rates of inflation, and these factors may have a materially adverse effect on a Fund's investments. Further, the economies of developing market countries generally are more heavily dependent upon international trade than some developed market countries and, accordingly, have been and continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. Expropriation, confiscatory taxation, nationalization, political, economic, or social instability, or other developments could adversely affect Fund assets held in particular developing market countries.

Real Estate. Certain Funds may invest in real estate and may make investments for which real estate is an incidental but significant portion of the investment's asset base or value. Investments in real estate include, among other things, investments in private platform, corporate control, and public company investments, and may consist of both debt and equity assets. There are numerous risks related to the ownership and operation of real estate, including fluctuations in the overall economy, international and local real estate conditions, dependence on cash flow, management direction and quality, increased competition with respect to rental rates, property attractiveness and location, financial condition of tenants, buyers, and sellers of properties, quality of maintenance, insurance, and management services, natural disasters, and changes in operating costs.

Government laws and regulations also may affect the results of a real estate investment, including those governing or related to usage, improvements, zoning, the environment, taxes, and securitization of residential and commercial mortgages, as do the levels of unemployment and interest rates and the availability of financing. In addition, the real estate markets have experienced significant volatility in recent years.

Hedging Transactions, Policies and Risks; Synthetic Investments. In connection with certain investments, certain Funds may employ hedging techniques designed to reduce the risks of these investments, including, for example, adverse movements in interest rates, securities prices, and currency exchange rates. However, those Funds may not be required to employ such hedging techniques in connection with Fund investments and may be unable to anticipate all risks against which we could employ such hedges. In addition, hedging transactions have inherent risks, including the possible default by the counterparty to the transaction and the illiquidity of the instrument a Fund acquires. Although hedging transactions aim to reduce a Fund's exposure to, among other things, currency fluctuations or decreases in the value of investments, the costs and risks associated with these arrangements may occasionally reduce the returns a Fund would have otherwise achieved had the Fund not entered into these transactions. Also, while hedging transactions generally hedge economic risks, they are not always effective hedges for tax purposes.



With respect to any investments in synthetic instruments, a Fund may have a contractual relationship only with the synthetic instrument counterparty, and no direct rights with respect to the underlying asset. A Fund often does not have any voting, information or other rights of ownership with respect to the underlying asset, and will be subject to the credit risk of the synthetic instrument counterparty. In addition, in the event of the insolvency of such counterparty, a Fund generally may be treated as a general creditor of that counterparty and will not have any claim of title with respect to the underlying asset. Portfolio companies may also employ hedging techniques, and such hedging activities would be subject to the same risks and limitations discussed above.

Liabilities upon Disposition. In connection with the disposition of an investment in a portfolio company, a Fund is typically required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. A Fund will likely also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements often result in contingent liabilities of a Fund.

Co-Investment Warehousing. A Fund from time to time may temporarily set aside, or “warehouse,” a portion of an investment opportunity in order to facilitate a co-investment by one or more affiliated or third-party co-investors. If the co-investment is not ultimately consummated, the Fund may ultimately hold a larger portion of such investment than it otherwise expected or desired to hold. The risk of a co-investment not being consummated generally would increase in the event an investment decreases in value during the warehousing period, potentially requiring the Fund to bear the losses in connection with the investment.

Bridge Financings. Certain Funds may lend to one of its properties or investments on a short-term, unsecured basis in anticipation of a future issuance of more permanent, long-term equity or debt securities. However, for reasons not always within a Fund’s control, such long-term securities may not be issued and such bridge loans may remain outstanding. If that happens, the interest rate on such loans generally would not adequately reflect the risk associated with the unsecured position taken by the Fund.

Potential Reporting Obligations; Other Regulatory Regimes. Acquisitions by a Fund of equity securities may from time to time result in reporting and compliance obligations under the U.S. Securities Exchange Act of 1934, as amended, and the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or their equivalent regimes in non-U.S. jurisdictions. Portfolio companies may also subject a Fund and, in limited circumstances, its partners, to other regulatory and reporting requirements. Investments in the communications, insurance, financial services, healthcare, and mortgage industries often require a Fund or its affiliates to secure regulatory approvals or licenses, or to disclose information about itself or its equity holders. For example, a Fund may need to obtain state licenses to purchase and hold mortgage loans. Applying for and obtaining these licenses could take several months and there is no assurance a Fund will obtain all desired licenses, in which case its investment options could be restricted. In addition, a Fund may be subject to tax reporting requirements in the United States and possibly in other jurisdictions, and the costs of such compliance generally will be borne by such Fund.

Third-Party Involvement. Funds co-invest from time to time with third-parties through joint ventures or other special purpose vehicles. These investments involve risks in connection with such third-party involvement, including the possibility that a third-party co-investor or co-venturer has financial, legal, or regulatory difficulties that negatively affect the investment, has economic or business interests or goals that are inconsistent with those of a Fund or is in a position to take (or block) action in a manner contrary to a Fund’s investment objectives. In addition, in certain



circumstances a Fund may be liable for the actions of its third-party co-investors or co-venturers. In circumstances in which third-parties involve a management group, such third-parties typically receive compensation arrangements relating to such investments, including incentive compensation arrangements or fees based on the value of assets managed.

Uncertainty of Financial Projections. A Fund may establish the capital structure of companies in which a Fund invests on the basis of financial projections for such companies, which may be based on projected operating results, which are, in turn, based primarily on portfolio company management judgments. Projections are only estimates of future results that rely upon assumptions made at the time that the projections are developed. There can be no assurance that a portfolio company will achieve its projected results, and actual results can vary significantly from the projections. General economic and market conditions, which are not predictable, can have a material adverse impact on the reliability of projections.

Controlling Interests and Provision of Managerial Assistance. Because of its equity ownership, representation on the board of directors, and/or contractual rights, a Fund may be deemed to control, participate in the management of, or substantially influence the conduct of portfolio companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws), and other types of liability, for which the limited liability generally afforded to investors may be ignored.

If these liabilities were to arise, a Fund may suffer a significant loss, exposing the assets of the Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies, which may exceed the value of the Fund's initial investment in that portfolio company. In addition, the provision of managerial assistance to a portfolio company could result in a Fund being characterized as a "trade or business" for purposes of U.S. federal tax liabilities or the Employee Retirement Income Security Act of 1974 ("**ERISA**") controlled group liability, and, in cases where a Fund has a significant ownership interest in such portfolio company, there may be a risk that the Fund and any U.S. portfolio company (or U.S. subsidiary of a non-U.S. portfolio company) could be subject to controlled group liability under ERISA. These liabilities may include funding obligations to single-employer pension plans and withdrawal liability from union-sponsored multiemployer pension plans.

Non-Controlling Investments. A Fund may hold less than 50% of the outstanding voting interests of a portfolio company, or hold investments in debt instruments or other securities that do not entitle the Fund to voting rights, and, therefore, have a limited ability to protect its investment in such portfolio company.

Risk Management; Operational Controls. The operational controls and risk management techniques of a Fund may involve third-parties over whom the Fund does not exercise control, including outsourced providers of fund administration and custody services. The proper operation of a Fund and safekeeping of a Fund's assets depends on the performance and financial wherewithal of these third-parties. The operational controls and risk management techniques of a Fund generally also include subjective elements.

Cyber Security Risk. As the use of technology, particularly internet-based programs and data storage applications, increases, the Funds may be more susceptible to operational risks through breaches of the Fund's information and technology systems or through breaches of third-party service providers that hold the Fund's information or have access to its technology systems. The Funds, their service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems





are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite efforts to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of the Fund's and their providers' computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Funds and their investors.

For example, unauthorized third-parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the Funds' systems and those of their service providers or counterparties or data within these systems. Third-parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the Funds' systems to disclose sensitive information in order to gain access to Fund data or that of the Funds' investors. Whether intentional or unintentional, a cyber security breach may cause the Funds or their portfolio companies to lose proprietary information, suffer data corruption, or expose information to misuse. Unauthorized access could lead to physical damage to a computer or network system, loss or theft of investors' funds, the inability to access electronic systems, a failure to maintain the confidentiality and privacy of sensitive information (including the loss of investors' confidential or personal information), loss of capabilities essential to the Funds' and/or the portfolio company's operations, financial losses from remedial actions, loss of business, reputational harm, or potential liability. Cyber security risks also generally result in ongoing preventative measures and compliance costs.

Contingent Liabilities. From time to time, a Fund may incur contingent liabilities in connection with an investment. For example, a Fund may enter into agreements pursuant to which it assumes responsibility for default risk presented by a third-party. 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 that company typically made in connection with the sale of assets or a business and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of the investment, to the extent such representations or disclosure documents turn out to be inaccurate. These arrangements often result in contingent liabilities, which generally may be borne by the Fund. The Fund may incur numerous other types of contingent liabilities, and there can be no assurance that the Fund will adequately reserve for its contingent liabilities or that such liabilities will not have an adverse effect on the Fund. A Fund's investors may be required to return amounts distributed to them to fund certain Fund obligations, including without limitation indemnity obligations.

Series Limited Partnership; Cross-Series Liabilities. Certain Funds may be established as a single series of a Delaware series limited partnership, a Delaware series limited liability company, a Cayman Islands segregated portfolio company, or another protected cell company (each, a "**Series Fund**"). Delaware and Cayman law generally provide that, subject to the satisfaction of certain legal requirements, the debts, liabilities, and obligation of a series are enforceable only against the assets of that series and not against the assets of the Series Fund generally or the assets of any other series of the Series Fund. Due to the relatively recent enactment of the enabling statutes for Series Funds, there is a relative dearth of case law interpreting those statutes. Further, where a Series Fund operates or has assets in other jurisdictions, such other jurisdictions may not recognize the aforementioned segregation of a series' assets from other series' liabilities, and, as such, creditors' claims across series or against the Series Fund itself may be enforced and result in Fund losses.

General Business and Market Risks. In addition to the risks highlighted in the preceding paragraphs, the investments made by a Fund involve a high degree of business and financial risk that can result in substantial or complete losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal



policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorism and cyber-attacks. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss. Co-investment vehicles may also be subject to some or all of the foregoing risks, depending on the risks associated with the applicable transaction or investment strategy. To the extent certain co-investment vehicles may pursue investments or strategies that are not pursued by the Funds, such co-investment vehicles will likely be subject to additional risks, as described in their respective offering documents.



## **Artivest Alternative Advisors LLC**

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

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Artivest is not aware of any legal or disciplinary events that are material to our advisory business or the integrity of our management.



## Artivest Alternative Advisors LLC

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

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#### *Affiliated Investment Adviser:*

Artivest Holdings, Inc., the parent company of Artivest, is the sole member of Artivest Advisors. Artivest Advisors is registered as a CPO with the CFTC and provides services to certain private equity and venture capital fund of fund vehicles managed by Artivest including compliance with requirements applicable to CPOs with respect to their funds. In this capacity, Artivest Advisors will be required to deliver a CFTC disclosure document to prospective investors and will be required to provide the limited partners of the funds with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

#### *Affiliated Broker-Dealer:*

Artivest Holdings, Inc., the parent company of Artivest, and owns Altegris Investments LLC (defined herein as Artivest Brokerage). Artivest Brokerage is a limited purpose broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). Artivest Brokerage is also registered as a limited purpose broker-dealer with those state securities authorities where it services clients and is not otherwise exempt from such registration.

Among other activities, Artivest Brokerage acts as a broker-dealer in respect of (i) other entities not related to Artivest, and (ii) the offering and sale of limited partnership interests (or shares, as the case may be) in each Access Fund, which may create certain conflicts of interest between Artivest and Artivest Brokerage.

Artivest intends to manage such conflicts through a robust approval process and by seeking to ensure that Artivest Brokerage provides each Access Fund with the Brokerage Services on an arms-length basis.

See Item 14 below for additional information, as well as “Conflicts of Interest” in Item 11 below for a description of the manner in which Artivest addresses any conflicts of interest created by Artivest’s relationship with Artivest Brokerage.

#### *Artivest GPs:*

Various entities serve as general partners of the Access Funds and are our related persons. For a description of material conflicts of interest created by this relationship, as well as a description of how such conflicts are addressed, please see Item 11 below.

#### *Artivest Solutions:*

Artivest Holdings, Inc., the parent company of Artivest, is the sole member of Artivest Solutions. Artivest Solutions generally develops and licenses, on a white-label basis, proprietary information technology-based, investment fund platform solutions which include a suite of digital and on-line media tools and streamlined workflows, and provides certain of these services to certain Access Funds, Master Funds, Artivest GPs, and Master Fund Managers. For a description of material conflicts of interest created by this relationship, as well as a description of how such conflicts are addressed, please see Item 11 below.



*Artivest Principal Investments:*

Certain directors, officers, principals, and employees of Artivest may invest, directly or indirectly, in certain Master Funds or in other products managed or sponsored by certain Master Fund Managers or their affiliates. These investments may create an incentive for Artivest to select or otherwise favor certain Master Funds in connection with certain Access Fund investments. For a description of material conflicts of interest created by this relationship, as well as a description of how such conflicts are addressed, please see Item 11 below.





## Artivest Alternative Advisors LLC

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

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#### *Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act:*

We have adopted a comprehensive Code of Ethics that is applicable to, among others, all of our officers and employees, certain temporary personnel, and certain of our affiliates and their officers and employees (collectively, “**Artivest Personnel**”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations.

Artivest Personnel and their families and households will from time to time purchase investments for their own accounts, including the same or similar types of investments as may be purchased or sold by an Access Fund or another account or investment vehicle managed or advised by Artivest, the Artivest GPs, or any of their affiliates (collectively, the “**Artivest Vehicles**”), subject to the terms of the Code of Ethics.

The Code of Ethics generally permits such transactions only if the transaction is “pre-cleared” by our Chief Compliance Officer or her designee; or the transaction is exempt from pre-clearance under the Code of Ethics. The investment policies, fee arrangements, and other circumstances of these personal investments often vary from those of the Artivest Vehicles. As our officers, principals, and employees typically also make investments in or alongside the Artivest Vehicles, they have conflicting interests with respect to these investments.

Under the Code of Ethics, Artivest Personnel also are required to file certain periodic reports as required by Rule 204A-1 under the Advisers Act. We will provide a copy of the Code of Ethics to any Artivest Vehicle or prospective client upon request.

#### *Participation or Interest in Client Transactions; Related Person Investments:*

Please see “Conflicts of Interest” below for information regarding circumstances in which we or a related person recommends to Artivest Vehicles, or buys or sells for Artivest Vehicles’ accounts, securities in which we or a related person has a material financial interest.

#### *Conflicts of Interest:*

As discussed further below, we and our related entities engage in a broad range of activities, including pursuing investments for the account of the Artivest Vehicles and providing investment advisory and other related services to the Artivest Vehicles.

In the ordinary course of conducting its activities, the interests of an Artivest Vehicle will from time to time conflict with our interests and those of other Artivest Vehicles and Artivest and the Artivest GPs. We describe below certain of these conflicts of interest, as well as how we address them. The material conflicts of interest that an Artivest Vehicle encounters include but are not limited to those discussed in this Brochure, which is not intended to be an exhaustive list of all conflicts or their potential consequences.



We and certain employees and affiliates of ours, and certain other persons associated with us and executives of current and former portfolio companies of Artivist Vehicles, may invest in Artivist Vehicles, either through their general partners, as limited partners or otherwise, to facilitate participation by such persons in portfolio companies or other investment arrangements made by Artivist Vehicles. An Artivist Vehicle typically will, in the discretion of its general partner, reduce all or a portion of the advisory fee and performance allocation related to investments held by such persons.

Identifying potential conflicts of interest is complex and fact-intensive, and it is not possible to foresee every conflict of interest that may arise during an Artivist Vehicle's life. In particular, we may in the future identify additional conflicts of interest that currently are not apparent to us or the broader alternative asset industry, as well as conflicts of interest that arise or increase in materiality as we develop new investment platforms or business lines and otherwise adapt to dynamic markets and an evolving regulatory environment.

To the extent that we identify conflicts of interest in the future, we may, but assume no obligation to, disclose these conflicts and their implications to investors in Artivist Vehicles through a variety of channels, including in subsequent brochures or in other written or oral communications to the advisory committee or investors more generally.

Artivist, the Artivist GPs, and their related entities engage in a broad range of investment-related activities, including investment activities for their own account and for the account of other investment funds and advisory clients, and providing transaction-related, investment advisory, management, and other services thereto. In the ordinary course of conducting its activities, the interests of an Access Fund may conflict with the interests of Artivist, other Access Funds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how Artivist addresses such conflicts of interest, can be found herein.

#### *Compensation from Master Funds and Master Fund Managers:*

Artivist Brokerage may receive a placement or other brokerage fees from certain Master Funds or Master Fund Managers, either independently or in relation to an Access Fund investment in a Master Fund. Such placement or other brokerage fees are usually calculated and payable as a percentage of the aggregate capital commitments of such Access Fund to the applicable Master Fund. The existence of such placement or other brokerage fees may create potential or actual conflicts of interest. The opportunity to receive such compensation may create an incentive for Artivist Brokerage to place investors in an Access Fund or a Master Fund from which it receives a placement or other brokerage fee versus other investment funds or investment opportunities in connection with which Artivist Brokerage does not receive such placement or other brokerage fee.

Artivist Solutions, which is a related person to Artivist and Artivist Brokerage, a Delaware liability company with its principal place of business in New York, NY. Artivist Solutions generally develops and provides, on a white-label basis, proprietary information technology-based, investment fund platform solutions which include a suite of digital and on-line media tools and streamlined workflows and provides certain of these services to certain Access Funds, Master Funds, Artivist GPs, and Master Fund Managers. Artivist Solutions receives compensation in connection with the foregoing activities and, because it is a related person to Artivist, the opportunity to receive such compensation may create an incentive for Artivist to sponsor, and for Artivist Brokerage to place investors in, Access Funds or Master Funds from which Artivist Solutions receives such compensation.

Artivist addresses these conflicts by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Investor and by providing training to supervised persons with





respect to conflicts of interest and how such conflicts are resolved under Artivest's policies and procedures. Further, compensation for Artivest management personnel is not based on any transaction-based compensation received by Artivest Brokerage as a result of it acting as placement agent for any of the Access Funds or the Master Funds. In addition, compensation for Artivest management personnel is not based on any compensation received by Artivest Solutions as a result of it providing the Platform Services to any of the Access Funds or the Master Funds.

Artivest Brokerage may receive a placement or other brokerage fees from certain Master Funds or Master Fund Managers, either independently or in relation to an Access Fund investment in a Master Fund. Such placement or other brokerage fees are usually calculated and payable as a percentage of the aggregate capital commitments of such Access Fund to the applicable Master Fund.

The existence of such placement or other brokerage fees may create potential or actual conflicts of interest. The opportunity to receive such compensation may create an incentive for Artivest Brokerage to place investors in an Access Fund or a Master Fund from which it receives a placement or other brokerage fee versus other investment funds or investment opportunities in connection with which Artivest Brokerage does not receive such placement or other brokerage fee.

#### *Resolution of Conflicts:*

We will deal with all conflicts of interest using our best judgment, but in our sole discretion. When conflicts arise between an Artivest Vehicle and another Artivest Vehicle or Artivest or any Artivest GP, we will resolve the conflict or represent the interests of such Artivest Vehicle. In resolving conflicts, we will consider various factors, including the interests of such Artivest Vehicle, the other Artivest Vehicle, Artivest, or the Artivest GP, as applicable, in the context of both the immediate issue at hand and the longer term course of dealing among such Artivest Vehicle and such other persons.

In the case of any conflicts involving an Artivest Vehicle, our determination as to which factors are relevant, and the resolution of such conflicts, will be made in our sole discretion. The following may help mitigate potential or actual conflicts of interest:

- An Artivest Vehicle will not make any investment unless we and the Artivest Vehicle's general partner believe that such investment is an appropriate investment considered solely from the viewpoint of such Artivest Vehicle;
- Many important conflicts of interest may be resolved pursuant to set procedures, restrictions, or other provisions contained in the relevant Constituent Documents for the Artivest Vehicles;
- With respect to the Access Funds, the advisory committees, if any, for an Access Fund, whose members are not affiliated with the applicable Artivest GP, may play an important role in resolving conflicts of interest by, for example, overseeing certain activities that could give rise to conflicts of interest or approving or disapproving decisions that involve certain conflicts of interest referred to it by the Artivest GP in accordance with the relevant Constituent Documents;
- When we deem it appropriate in our sole discretion, unaffiliated third-party service providers will be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; further, the willingness of a third-party investor to make an investment on the same or similar terms as an Artivest Vehicle may demonstrate the fairness of the transaction to such Artivest Vehicle;



- Prior to subscribing for a limited partnership interest (or shares, as the case may be) in an Access Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Access Fund; and
- In limited circumstances, we erect temporary information barriers to restrict the transfer of non-public information between business units.

*Principal Transactions:*

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. The Advisers Act generally requires that, when an investment adviser or an affiliate of the adviser proposes to purchase a security from, or to sell a security to, an advisory client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction.

In connection with advising the Artivest Vehicles, we and/or the Artivest Vehicles may, in certain limited circumstances, engage in principal transactions.

Further, although not our current practice, if we or an Artivest GP provides seed capital to a new Artivest Vehicle, we or an Artivest GP may purchase securities that are later transferred into the Artivest Vehicle in exchange for a percentage ownership in such Artivest Vehicle. We review such transactions with outside counsel to ensure that we comply with the requirements of Section 206(3) of the Advisers Act in respect of principal transactions.

We have established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that the requisite disclosures be made to the applicable Artivest Vehicle regarding any proposed principal transactions, if required by the Advisers Act or applicable law, and the Artivest Vehicle’s prior consent to the transaction be received. In addition, the Constituent Documents relating to the Artivest Vehicles typically contain additional restrictions on our ability or that of the Artivest Vehicle to engage in principal transactions and disclosures regarding principal transactions that are likely to arise in the operations of Artivest Vehicle.

*Privacy Policy:*

Artivest is committed to maintaining the confidentiality, integrity, and security of its investors’ personal information, and it is an internal policy to collect only information necessary or relevant to Artivest’s business and use only legitimate means to collect such information.

Artivest does not disclose any non-public, personal information about its investors to anyone except for servicing and processing transactions and as required by law. Artivest restricts access to non-public, personal information about our Investors to those employees with a legitimate business need for the information. Artivest maintains security practices, physical, electronic, and procedural safeguards to guard each Investor’s non-public, personal information. Upon request, Artivest will provide a copy of its written privacy policies and procedures.



# Artivest Alternative Advisors LLC

## Item 12 – Brokerage Practices

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### *Selecting or Recommending Broker-Dealers:*

With respect to the Artivest Vehicles and to the extent required by applicable law, it is Artivest's policy to seek to obtain best execution of trades (if any) in public equity and debt securities on behalf of applicable Artivest Vehicles by a selected broker-dealer or Artivest Brokerage.

In seeking best execution, the determinative factor is not always the lowest possible per security price or commission but whether, in Artivest's view, the transaction represents the best overall qualitative and quantitative execution for the relevant Artivest Vehicles.

Artivest's process of determining best execution involves not only an assessment of brokerage commissions or bid/offer spreads, but also an evaluation of broker-dealer ancillary services. Artivest may consider the full range of a broker-dealer's services in assessing best execution, including:

- ☐ Competitiveness of commission rates and spreads;
- ☐ Promptness of execution;
- ☐ Past history in executing orders;
- ☐ Clearance and settlement capabilities;
- ☐ Research capabilities and quality;
- ☐ Access to markets, investments (including access to new issues), and distribution network;
- ☐ Trade error rate and ability or willingness to correct errors;
- ☐ Anonymity and confidentiality;
- ☐ Market impact;
- ☐ Expertise with complex transactions; and
- ☐ Geographic location.

Accordingly, although Artivest will seek competitive commissions and spreads, it may not necessarily obtain the lowest possible rates for applicable Artivest Vehicles and may elect to use the Brokerage Services of Artivest Brokerage. The commissions, spreads, or other transaction or financial advisory fees charged by an executing broker-dealer or Artivest Brokerage may be higher or lower than those charged by other broker-dealers.

### *Research and Other Soft Dollar Benefits:*

Pursuant to Artivest's policy, it does not enter into soft dollar or comparable commission-sharing arrangements with broker-dealers relating to transactions executed for the benefit of Artivest Vehicles, despite the incentive to receive research or other products or services without paying. It should be noted, however, that various broker-dealers, including Artivest Brokerage, may provide Artivest or its affiliates with proprietary research and other products and services, which Artivest may use to service all Artivest Vehicles, if applicable, equally.



Artivest is of the view that it would receive such research, products, and services regardless of the volume of transactions executed through such broker-dealers or the level of commissions or spreads generated by such transactions and that, accordingly, it is not causing any Artivest Vehicles to “pay up” for such research, services, or products and such research, products, and services are not a factor considered by Artivest in directing client transactions to such broker-dealers. Artivest does not cause Artivest Vehicles to pay commissions higher than those charged by other broker-dealers in return for soft-dollar benefits or direct client transactions to a particular broker-dealer in return for soft dollar benefits.



## **Artivest Alternative Advisors LLC**

### **Item 13 – Review of Accounts**

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#### *Review of Accounts:*

Artivest Vehicles are reviewed and monitored with respect to historic and anticipated performance and market developments and compliance with the relevant investment mandates on an ongoing basis by members of the fund accounting and operations team.

#### *Investor Reporting:*

Investors in Access Funds which relate to private equity Master Funds generally receive quarterly statements detailing their account information, while Investors in Access Funds which relate to hedge fund Master Funds generally receive monthly statements detailing their account information.



## Artivest Alternative Advisors LLC

### Item 14 – Client Referrals and Other Compensation

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The Adviser does not obtain any direct economic benefit for providing investment advice to any parties other than the Access Funds.

Our affiliate, Artivest Brokerage, as defined above, is a limited purpose broker-dealer registered with the SEC and a member of FINRA. It is a limited purpose broker-dealer with those state securities authorities where it services clients and is not otherwise exempt from such registration.

Among other activities, Artivest Brokerage acts as a broker-dealer in respect of (i) other entities not related to Artivest, and (ii) the offering and sale of limited partnership interests (or shares, as the case may be) in each Access Fund, which may create certain conflicts of interest between Artivest and Artivest Brokerage. Where Artivest Brokerage acts as the broker-dealer for private placement of partnership interests of the Access Funds, Artivest does not receive any placement or other brokerage fees in connection therewith. All placement and other brokerage fees derived from an Access Fund or a Master Fund are paid solely to Artivest Brokerage.

From time to time, Artivest may engage third-party broker-dealers to assist in the private placement of partnership interests of the Access Funds, and any such third-party is required to provide prospective Investors with a current copy of Artivest's Form ADV Part 2A. Generally, the third-party broker-dealers will receive payment of either (i) a portion of the management fee and/or performance fee paid to Artivest, or (ii) a percentage of the aggregate Investor capital commitments referred to the Access Funds by the third-party broker-dealers.

A prospective Investor solicited by a third-party generally will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement, and the fees for such solicitation services will generally be the responsibility of Artivest, and the applicable Access Fund generally will not be subject to any increased or additional fees or charges. While the Access Fund may be required to initially bear such brokerage fees, such fees generally will subsequently reduce management fees otherwise payable by the Investors in respect of the Access Fund on a dollar-for-dollar basis.

Third-party placement agents in the U.S. generally will be registered as broker-dealers with the SEC and as members of FINRA, while third-party placement agents outside the U.S. may be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.



## Artivest Alternative Advisors LLC

### Item 15 – Custody

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Under the Advisers Act, investment advisers with custody of client funds and securities must maintain them with “Qualified Custodians,” unless such advisers have custody of only certain privately offered securities as defined in Rule 206(4)-2(b)(2) of the Advisers Act. “Qualified Custodians” under the amended rule include, among other persons, banks and savings associations and registered broker-dealers.

However, investment advisers to funds-of-funds, which the Access Funds generally are categorized as, may comply with the Adviser Act’s custody rules by:

- Ensuring that each fund-of-funds is audited at least annually by an independent registered public accounting firm which is registered with the U.S. Public Company Accounting Oversight Board, and
- Distributing to investors a copy of the fund-of-funds’ audited financial statements, prepared in accordance with U.S. Generally Accepted Accounting Principles, within 180 days of the end of the fund’s fiscal year.

Artivest generally will distribute the audited financial statements within 180 days of the end of the fiscal year to the Investors in each Access Fund that constitutes a fund-of-funds for purposes of the Adviser Act’s custody rules. Artivest generally will distribute the audited financial statements within 120 days of the end of the fiscal year to the Investors in each Access Fund that does not constitute a fund-of-funds for purposes of the Adviser Act’s custody rules.



## **Artivest Alternative Advisors LLC**

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

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The Artivest GPs have discretionary authority to make investment decisions on behalf of the Access Funds; however, such authority is generally limited by the internal policies and procedures of Artivest and the Artivest GPs, as well as each Access Fund's investment restrictions, limitations, and objectives set forth in the Constituent Documents. To the extent that Artivest and the Artivest GPs provide investment advisory or management services to the Access Funds and other Artivest Vehicles to which they serve as general partners, Artivest and the Artivest GPs will be acting as fiduciaries thereto.





## **Artivest Alternative Advisors LLC**

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

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Artivest does not anticipate that it or any Artivest GPs will beneficially own or hold any equity securities that grant proxy voting rights thereto.

Investors in an Access Fund generally will not be limited partners of the applicable Master Fund and, as such, generally will have no voting rights in respect of the Master Fund.

In connection with the exercise of any limited partner voting rights held by an Access Fund pursuant to the Constituent Documents of any Master Funds, the applicable Artivest GP will seek to vote in a manner which advances the best interests of the Access Fund and may, but will not be required to, request that the Investors in the Access Fund vote on certain matters that the Access Fund intends to vote on with respect to its investment in the Master Fund.



## **Artivest Alternative Advisors LLC**

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

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The Advisor does not have a financial condition that would impair Artivest's or any Artivest GP's ability to meet its contractual or fiduciary commitments to its advisory clients.



## **Artivest Alternative Advisors LLC**

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

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Not applicable.

