

**Item 1 – Cover Page**

**Part 2A of Form ADV**

**Brochure for:**

**RISING TIDE FUND MANAGERS, LLC  
NV MANAGEMENT III, LLC**

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**March 27, 2020**

**This Brochure provides information about the qualifications and business practices of Rising Tide Fund Managers, LLC (“RTFM”) and its relying adviser, NV Management III, LLC (“Newbury Ventures”) (together, “Rising Tide” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Rising Tide is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

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

## **Item 2 – Material Changes**

Item 2 discusses only material changes to the Brochure since the last annual updating amendment on March 29, 2019. There have been no changes since the last filing of this Brochure.

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## **Item 4 – Advisory Business**

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

RTFM, a Delaware limited liability company formed in June 2016, and Newbury Ventures, a Delaware limited liability company formed in October 2000, are venture capital firms investing primarily in the information technology and healthcare/life sciences markets. Newbury Ventures is affiliated with and under common control with RTFM and, like the general partners of the funds, relies upon RTFM's registration as a relying adviser. Unless otherwise specified in this brochure, all responses made herein by RTFM are applicable to Newbury Ventures. Please refer to Item 10(C) for more information about this relationship.

Dr. Ossama Hassanein, Managing Member of Rising Tide, is a seasoned businessman and venture capitalist with over 35 years of investment experience including Berkeley International Capital, Newbridge Networks Holdings, Newbury Ventures, and Rising Tide. The Rising Tide team draws on Dr. Hassanein's management, investment methodologies, diligence protocols, and corporate governance experiences to guide the investments.

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

Rising Tide serves as investment adviser to certain private investment funds, including pledge funds, which are organized as Delaware limited partnerships or limited liability companies ("Funds"). At the discretion of the general partner of certain Funds, the Funds may consist of one or more separate partnerships ("Parallel Funds") that will be operated under similar investment strategies, and which may invest in parallel with each other in proportion to the committed capital of each entity. Pledge funds are Funds where investors retain the ability to decide on a deal-by-deal basis on their investment into the Fund ("Pledge Funds"). Affiliates of Rising Tide generally serve as the General Partner or Managing Member, as applicable, of the Funds. Certain Funds are managed by the Investor member, and the Firm's responsibility is to source deals and provide reporting to the Investor. Rising Tide may decide in the future to sponsor or manage additional private investment funds or other clients (collectively with the Funds, Pledge Funds and Parallel Funds, the "Clients").

It invests in information technology and healthcare / life sciences companies (see Item 8B below), in accordance with the strategy described in each Fund's offering memorandum, limited partnership or limited liability company operating agreement, and subscription documents ("Offering Documents").

The Funds offer limited partnership or membership interests, as applicable ("Interests") to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as "Investors").

### **C. Client Tailored Services and Client Imposed Restrictions**

Advisory services are tailored to achieve each Fund's investment objectives. Rising Tide has the authority to select which and how many portfolio companies to invest in and determine

exit strategies, subject to any restrictions as outlined in the applicable Fund's Offering Documents.

D. Wrap Fee Programs

Rising Tide does not participate in wrap fee programs.

E. Amounts Under Management

Rising Tide has approximately the following regulatory assets under management ("RAUM"):

<b>Discretionary Amounts:</b>	<b>Non-Discretionary Amounts:</b>	<b>Date Calculated:</b>
\$58.1 million	\$154.5 million	December 31, 2019

It is noted that for the RAUM, approximately \$212.2 million reflects RTFM's RAUM and approximately \$0.4 million reflects Newbury Ventures' RAUM.

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to Rising Tide are negotiable and vary among its Clients. However, the range of compensation is generally as follows:

#### 1. Management Fee

Rising Tide typically receives an annual management fee equal 2.0% of the Fund's invested capital.

#### 2. Performance-based Fees

Each Fund's General Partner or Managing Member, as applicable, generally receives a carried interest equal to a percentage of all realized profits, as described more fully in each Fund's Offering Documents. The carried interest is generally subject to a giveback at the end of life of the Funds if the General Partner or Managing Member, as applicable, has received excess cumulative distributions.

The carried interest will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### 3. Fee Comparison

Fund expenses, including the management fee and any performance-based fees, can constitute a higher percentage of average net assets than could be found in other investment programs.

### B. Payment of Fees

Management fees, performance-based fees, and third-party fees (discussed below) are deducted from Client assets. Management fees are withdrawn at the beginning of the calendar year and any balance due is remitted at the end of each year. Performance-based fees are only paid when the Funds distribute realized proceeds pursuant to the Fund's Offering Documents.

### C. Third-Party Fees

Expenses to be borne by each Fund typically include the following costs and expenses associated with the formation, operation, dissolution, winding-up, or termination of such Fund: (i) all expenses incidental to the organization of the Fund, the General Partner and related entities; (ii) all costs incurred in connection with operation of its business, including those costs associated with holding or sale of securities; (iii) all legal, audit, registration, liability insurance premiums, financial fees; (iv) the cost of Fund meetings; and (v) any extraordinary expenses of the Fund.

D. Prepayment of Fees

The Funds invest in the securities of private companies on a long-term basis. Accordingly, all fees are paid during the term of the Funds and Investors are generally not permitted to withdraw or redeem Interests in the Funds. Fees paid at the beginning of a fiscal period (such as management fees) will not be refunded or prorated for partial periods.

E. Outside Compensation for the Sale of Securities

Neither Rising Tide nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with Rising Tide.

**The foregoing discussion in Item 5 represents Rising Tide's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although Rising Tide believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

As discussed in Item 5.A., Rising Tide generally receives a carried interest equal to a percentage of all realized profits in a particular Fund. Due to the Fund's structure, Rising Tide allocates investment opportunities to the Funds, and not to individual Investor accounts.

Differences in Rising Tide's compensation arrangements with its Clients, particularly if some Clients were to pay higher performance-based compensation, could create incentives for Rising Tide to manage Client portfolios so as to favor those portfolios of Clients paying higher performance-based compensation, as could the ownership interest of Rising Tide and/or its affiliates (e.g., as a General Partner) in some Client accounts. Notwithstanding these conflicts, Rising Tide will allocate transactions and opportunities among the various Client accounts it manages in a manner it believes to be as equitable as possible, considering each account's objectives, programs, limitations and capital available for investment, but even accounts with similar objectives will often have different investment portfolios.

Performance-based compensation can provide a possible incentive for Rising Tide to make riskier or more speculative investments on behalf of a Client than it might make otherwise. Notwithstanding this potential incentive, Rising Tide will evaluate investments in a manner that it considers to be in the best interest of its Clients, given those Clients' investment objectives, investment strategies, suitability of the investment, and risk profile.

### **Item 7 – Types of Clients**

Rising Tide provides investment advice and management to the Funds and may in the future provide the same or similar services to other Clients.

Rising Tide intends to restrict the number of Investors in the Funds and will offer Interests only through non-public transactions in order to maintain their exclusion from “investment company” status under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

Prospective Investors in the Funds must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Fund’s Offering Documents, which set forth all of the terms in detail. Though the Funds generally pursue the same strategy, offering terms may differ.

Each Investor generally must be an “accredited investor” (as defined in Regulation D under the Securities Act of 1933) and “qualified client” (as defined in Rule 205-3 under the Advisers Act) and must meet other criteria as specified in the Offering Documents. The minimum initial investment varies by Fund but is generally \$20,000, subject to waiver at the discretion of Rising Tide.

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

### **A. Methods of Analysis**

Rising Tide follows a thorough, systematic, process for screening, evaluating, and deciding on potential investments. The process will be structured to identify the most compelling opportunities in target markets. During an initial screening, consideration will be given to the source of the deal, characteristics of the management team, market dynamics, technology trends, unit economics, early client engagements, and differential advantage. The Firm’s Investment Team stress-tests the overall investment thesis, assess how capital can be deployed to create significant value, and map out possible exit scenarios. The Investment Team meets weekly to review prospective investment opportunities. The Firm’s due diligence draws upon all available resources, both internal and external, and utilizes its extended network of partners, mentors, and industry experts. Members of the Investment Team will prepare comprehensive recommendations for investments, and decisions to proceed will be made by unanimous consent of the Investment Team.

The investment strategy includes prudent financial structuring which helps to ensure appropriate valuations and downside risk protection. In structuring a deal, the Investment Team will evaluate the various stakeholders’ contributions to the company, both historically and looking forward and strive to align stakeholders’ interests to focus on making each investment a success.

The Investment Team is organized to perform deep due diligence on a large subset of deals with flexibility to engage external experts in the Firm’s ecosystem where needed. Diligence is a process which includes:

- Rigorous evaluation of management teams to ensure aptitude, qualification, and integrity;
- Detailed reference checks via internal and referred networks;



- Hands-on review of operations including research and development, sales, and distribution;
- In-depth analysis of market and business model dynamics including opportunity size, strategic landscape, relevant trends, competitive factors, and potential for future disruption;
- Interviews with customers, partners, competitors, investors, and industry experts;
- Comprehensive financial evaluation including analysis of historical results, modeling of various projection scenarios, and return analysis using financial performance and exit scenarios.

**B. Investment Strategies**

The Funds generally invest in equity and equity-oriented securities of privately-held companies and private placements of convertible debt. The Funds will primarily be invested in United States companies. The Firm intends to act as the lead investor in core portfolio investments (non-seed), and members of the Investment Team plan to take an active (but not day-to-day) role in the management of portfolio companies, usually through a board or board observer role. This active participation is intended to assist portfolio companies in maximizing value creation and includes the following:

**Human Capital Development**

To help accelerate the growth of portfolio companies and reduce recruitment time lags, the team intends to tap a pool of world-class talent from the team's global network of entrepreneurs, advisors and mentors with experience in achieving needed goals and building differentiated, fast growing businesses.

**Membership and Business Practices**

With strong technical backgrounds and networks, the team helps implement best business practices that have dramatic impact on growth, particularly of B2B and B2B2C companies. This includes support in product development, technology architecture, team building, and dissemination of relevant practices and resources from ecosystem partners.

**Corporate Strategy**

Members of the Investment Team bring to bear good experience in building healthy, market-leading startups, having actively participated in financing. The team intends to assist in accelerating value creation through cooperative research agreements (CRA), investments by strategic corporations, and carefully balanced allocation of funds between organic growth and strategic expansion.

**Partnerships and Business Development**

Members of the Investment Team leverage their personal and professional networks as needed to connect portfolio companies with strategic corporations and leading-edge customers, thus helping entrepreneurs gain early, sustainable traction. At the same time, the

team intends to engage with portfolio companies to discover, evaluate and secure M&A opportunities.

### **International Expansion**

The team helps identify opportunities for portfolio companies to gain differential advantages for customer acquisition, corporate venture capital investment, and international expansion. The team members have considerable personal experience in the US, Canada, Europe, and the MENA region. As a result, the team is well positioned to help portfolio companies identify appropriate opportunities for profitable global access and scaling.

### **C. Risks of Investments and Strategies Utilized**

#### **Investing in securities involves risk of loss that Investors should be prepared to bear.**

Investment risk factors may include:

**Competition for investments.** The Funds will compete with other entities for the acquisition of investments. Such competition may come from groups such as institutional investors, investment managers, industrial groups, and merchant banks that have greater resources than the Fund and are owned by large and well-capitalized investors. There may be intense competition for investments of the type in which the Fund intends to invest, and such competition may result in less favorable investment terms than would otherwise be the case. The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. There can, therefore, be no assurance that investments of the Fund will meet all the investment objectives of the Fund, or that the Fund will be able to invest all of its available capital.

**Unspecified investments.** The capital commitments received from the Limited Partners go into a blind pool. The Funds have not identified the particular investments it will make, and there are no assurances as to whether the Fund will invest in any of the previously seeded companies, described herein. Accordingly, an investor in the Fund must rely upon the ability of the General Partner in making investments consistent with the Fund's investment objectives and policies. An investor will not have the opportunity to individually evaluate the relevant economic, financial and other information that will be utilized by the General Partner in its selection of investments or otherwise approve of such investments.

**Issuer and Non-Issuer Transactions.** The General Partner intends that the Fund may acquire its investments through both issuer and non-issuer transactions. In the case of a non-issuer transaction, the Fund will purchase securities from existing shareholders (either directly or by means of a secondary market). In many cases, the price that the Fund must pay to acquire securities in a non-issuer transaction will exceed the price that the Fund would have paid if it were able to have acquired such securities directly from the issuer. Furthermore, in the event of a non-issuer transaction, there is no guarantee that the Fund will accede to same rights (e.g., information rights, voting rights, right of first refusal) as the selling shareholder.

**Long-term & illiquid investment within the Fund.** An investment in the Funds is a long-term commitment. Interests in the Funds are highly illiquid and have no public market value. No secondary market for the interests exists, and no such market will be established or supported by the General Partner. Furthermore, the sale or transfer of interests is subject to approval of the General Partner and other restrictions contained in the Funds' Partnership Agreement. Consequently, Limited Partners may not be able to liquidate an investment in the event of an emergency or for any other reason. An investment in the Fund is suitable only for persons and entities which have no need for liquidity with respect to their investment. The interests in the Funds have not been registered under the Securities Act of 1933, nor is any such registration contemplated.

**Economic Conditions.** Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect the Fund's investments and prospects materially and adversely. None of these conditions is within the General Partner's control, and it may not be able to effectively anticipate these developments. These factors may affect the volatility and the liquidity of the Funds' investments. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

**Early stage investments.** The Funds invest primarily in privately-held, early stage technology companies. These companies typically have no revenues and are not profitable. They require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Typically, although the Funds may be represented by a member of the General Partner on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Fund or the General Partner). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

**Lack of diversification.** The Funds are not subject to any significant diversification requirements and may invest in a limited number of companies, sectors, countries or regions. To the extent a Fund concentrates its investments in a particular company, sector, country or region, its investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular company, country, or region. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavorable performance of one or a small number of companies, sectors, countries or regions in which the Fund has invested. In certain cases, the Fund could acquire majority or

100% interests in portfolio companies, which could further increase the vulnerability of the Fund's portfolio.

**Availability of investment capital.** Early stage investments often require several rounds of capital infusions before the portfolio company reaches maturity. If a venture capital investor does not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the portfolio company and the face value of the venture investor's original investment. Although it may be a Fund's policy to maintain sufficient liquidity to allow it to participate in follow-on rounds of financings, the Fund does not intend to provide all necessary follow-on financing. Accordingly, third-party sources of financing will be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to the Fund. Furthermore, the Fund's capital is limited and may not be adequate to protect the Fund from dilution in multiple rounds of a portfolio company's financing.

**Lack of liquidity within investment portfolio.** The Funds' investment portfolio will, to a significant extent, consist of investments in early stage, private companies. The marketability and value of each such investment will depend upon many factors beyond the General Partner's control. Generally, the investments made by the Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of the Fund's investment, a portfolio company may lack one or more key attributes (e.g., proven technology, marketable product, complete management team or strategic alliances) necessary for success. There may be no readily available market for the Fund's investments, many of which will be difficult to value, and the disposal of a portfolio investment by the Fund may be prohibited or delayed many years from the date of initial investment for legal and/or regulatory reasons. The public market for high technology and other emerging growth companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by the Fund.

**Non-controlling investments.** The Funds may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies. However, as a condition to an investment in a portfolio company, it is expected that appropriate rights generally will be sought to protect the Fund's interests to the extent possible. There can be no assurance that such minority shareholder rights will be available.

**Due diligence risks.** Before making investments, the General Partner intends to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence and making an assessment regarding an investment, the General Partner will rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence process may at times be subjective with respect to newly organized companies for which only limited information is available. Accordingly, there can

be no assurance that the due diligence investigation that the General Partner will carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Further, there can be no assurance that such an investigation will result in an investment being successful.

**Economic & political risks.** Governments of many foreign countries have exercised and continue to exercise substantial influence over many aspects of the private sector. The availability of investment opportunities for the Funds depends in part on governments in Asia and Europe continuing to liberalize their policies regarding foreign investment and to further encourage private sector initiatives. Accordingly, future government actions could have a significant effect on the economic environment in such countries, which could affect the availability, purchase price, and returns of portfolio investments.

**Foreign currency & exchange rate risks.** Fund assets and income will be denominated in various currencies. Contributions and distributions, however, will be denominated in U.S. dollars. As a result, the return of the Fund on any investment may be adversely affected by fluctuations in currency exchange rates, any future imposed devaluations of local currencies, inflationary pressures, and the success of the investment itself. As a general policy, the Fund does not intend to engage in hedging against currency risk, though it may elect to do so on a case by case basis. In addition, the Fund may incur costs in connection with conversions between various currencies

**Lack of prior management history.** The Funds and the General Partners are newly-created entities with no prior operating history. Moreover, the members of the Funds' investment team have not collectively worked together on an investment vehicle of this size, and have no proven track record together of management of a collective investment vehicle such as the Funds. It is possible that additional management resources, in the form of additional analysts or other investment professionals, will be required in order for the Funds to fully implement its investment and exit strategies.

More information about the Funds' investments and the associated risk factors is available in the Offering Documents.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with Rising Tide. Prospective Investors and Investors should read the entire Brochure as well the Offering Documents and other materials that may be provided by Rising Tide and consult with their own advisers prior to engaging Rising Tide' services.**

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

Rising Tide and its management persons have not been a party to any legal or disciplinary events that would be material to an Investor's or prospective Investor's evaluation of its investment advisory business or the integrity of its management.

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

**A. Registration as a Broker-Dealer or Broker-Dealer Representative**

Neither Rising Tide nor its management persons are registered as a broker-dealer or broker-dealer representative.

**B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser**

Neither Rising Tide nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

**C. Relationships Material to this Advisory Business and Possible Conflicts of Interest**

Certain employees of the Firm serve on the boards of directors of private companies, which are issuers of securities currently held by the Funds. The Firm has policies to ensure that the Firm does not trade on any material non-public information it receives by virtue of these relationships or otherwise. Conflicts can arise in allocating time between serving as board member and serving as a Firm employee managing investments for the Firm's Funds.

Dr. Ossama Hassanein, Chairman and Managing Director of Rising Tide, is a Managing Member and Senior Managing Director for Newbury Ventures. Dr. Hassanein is a member of Newbury Ventures' investment team, and the Firm's Chief Financial Officer is also an employee of Newbury Ventures. Newbury Ventures is an investment advisory firm that serves as the general partner or managing member of private funds that make early-stage seed investments in portfolio companies. Because Newbury Ventures is no longer raising capital for its existing private funds, or plan to raise new funds in the future, the Firm believes that this affiliation does not create any material conflict of interest with the Firm's Funds.

The Firm has internal policies and procedures to address actual and potential conflicts of interest that may arise from the foregoing relationships and affiliations with other investment-related entities. The Chief Compliance Officer and the officers of the Firm are responsible for evaluating the conflict and determining the resolution based on the particular facts and circumstances.

The Funds co-invest with certain Investors on one or more specific portfolio companies. Where possible and appropriate, the Funds may, but will be under no obligation to, provide co-investment opportunities to one or more Investors before making such opportunities available to others. Any allocations among the Funds and co-investment vehicles would be made on what Rising Tide believes to be a fair and equitable basis.

**D. Selection of Other Advisors or Managers**

Rising Tide does not utilize nor select other advisors or third-party managers. All assets are managed by Rising Tide.

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

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

Rising Tide has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act, as amended. The Code governs the activities of each member, officer, director and employee of Rising Tide (collectively, “Employees”). Rising Tide holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to Clients. In serving its Clients, Rising Tide strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that he or she has received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Rising Tide will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to Rising Tide at the address on the cover page to this Brochure.

### **B. Recommendations Involving Material Financial Interests**

Principals and Employees of Rising Tide and its affiliates can directly or indirectly own an interest in private investment funds, including the Funds managed by Rising Tide. The fact that Rising Tide, its Employees and other related persons may have a financial ownership interest in the Funds creates a potential conflict in that it could cause the Firm to make different investment decisions than if they did not have such a financial ownership interest.

### **C. Investing Personal Money in the Same Securities as Clients**

Rising Tide invests in the securities of private companies. As noted above, Rising Tide, its Employees and other related persons (including family members and close personal friends) can invest directly in the Funds. Further, such parties can also make investments in the types of securities that the Funds invest in.

Rising Tide or its related persons can, from time to time, also invest in portfolio companies. As investors of the same portfolio companies (and their related products) in which the Funds invest, such persons may participate in any capital gains (or losses) along with the Funds. Additionally, a third-party co-investor or current or prospective Investor can have an ownership interest or otherwise an affiliation with a portfolio company. The investment by

Rising Tide, its related persons, a third-party co-investor, or current or prospective Investor in a portfolio company can present a conflict of interest between the Firm's economic interest (including using the investment as an incentive for a current or prospective Investor to invest in current or future Funds) and what is in the best interests of the Funds.

The Code requires Employees to obtain preapproval of any investments in private offerings to identify and manage potential conflicts with the Funds' investments. Rising Tide requires Employees to sign and adhere to the Code and to report personal securities holdings and transactions to its Chief Compliance Officer.

**D. Purchasing Securities At/Around the Same Time as Clients' Securities**

Rising Tide invests in the securities of private companies. The Code requires Employees to obtain preapproval of any investments in private offerings to minimize the possibility of conflicts with the Funds' investments. Rising Tide will document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

## **Item 12 – Brokerage Practices**

**A. Factors Used to Select or Recommend Broker-Dealers**

Rising Tide's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly traded securities. With respect to such private transactions, Rising Tide believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

However, Rising Tide may from time to time purchase or sell publicly traded securities. In such circumstances, Rising Tide considers various factors in determining which broker is most likely to deliver best execution including, but are not limited to, the Firm's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities as well as the reputation and perceived financial soundness of the broker selected and other brokers considered; Rising Tide's knowledge of actual or apparent operational problems of any broker; the broker or dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

**1. Research and Other Soft Dollar Benefits**

Rising Tide currently does not anticipate receiving research or other products or service from a broker-dealer or third-party in connection with securities transactions ("soft dollar



benefits”). If in the future Rising Tide obtains “soft-dollar” benefits, all “soft dollar” arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act, and this Brochure will be appropriately amended.

2. Brokerage for Client Referrals

Rising Tide does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. Rising Tide may receive referrals in the future and if it does it will appropriately amend this Brochure.

3. Directed Brokerage

Rising Tide does not accept directed brokerage arrangements.

B. Investment Opportunities for Multiple Client Accounts

As discussed elsewhere in this Item, Rising Tide invests in the securities of private companies and generally does not trade in public securities or similar instruments on behalf of Client accounts.

As a general matter, the purchase and sale of securities for the Funds are not aggregated because only one Fund is making investments in portfolio companies at a particular point in time. In the limited circumstances where more than two Funds own or acquire interests in the same portfolio investment, Rising Tide evaluates on a case-by-case basis whether aggregating the purchase and sale of securities for the participating Funds is appropriate under the circumstances.

As a fiduciary, Rising Tide must allocate investment opportunities among the Funds in a fair and equitable manner. To the extent that any Funds have overlapping investment programs, including the possibility of a “follow-on” investment, Rising Tide will allocate the investment opportunity utilizing the following policy: the investment opportunity will be allocated pro rata based upon each participating Fund’s available capital; provided, however, that Rising Tide can make allocations based upon other considerations. In such situations, Rising Tide will consult with the Investment Committee and the reason why an allocation was made other than on a pro rata basis will be documented.

## **Item 13 – Review of Accounts**

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

The investments made by the Funds are generally private, illiquid and long-term in nature. Rising Tide closely monitors companies in which the Funds invest and conducts reviews no less than quarterly to confirm that each Fund is maintained in accordance with its stated objectives.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

Investors in the Funds will generally receive unaudited reports of performance quarterly and will receive audited year-end financial statements annually.

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

A. Economic Benefits Provided by Third Parties

Rising Tide does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Clients.

B. Compensation to Non-Advisory Personnel for Client Referrals

From time to time, Rising Tide can engage the services of a foreign placement agent to introduce potential investors to the Funds. Fees for such placement services are paid exclusively by Rising Tide and not by investors in the Funds. Generally, the fees paid to foreign placement agents consist of a small guaranteed monthly retainer plus additional success fees calculated based on a percentage of the assets committed to a Fund by an investor referred by the placement agent. Since the date of registration, no such success fees were paid under foreign placement agreements.

## **Item 15 – Custody**

A rule under the Advisers Act provides that general partners and managing members, as applicable, of a private investment fund are considered to have “custody” of the fund’s assets, even though independent, qualified custodians actually hold those assets. That rule generally requires investment advisers to cause certain account statements detailing holdings and transactions to be sent to Clients, and imposes certain other obligations. However, advisers to investment funds like the Funds need not comply with those requirements if, among other things, the Funds provide Investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. Rising Tide satisfies those conditions and therefore is not subject to reporting and other obligations.

## **Item 16 – Investment Discretion**

The Funds’ Offering Documents generally authorize Rising Tide to invest their assets in a broad range of investments. While there may be certain limitations, such as concentration and other parameters, investments are selected at Rising Tide’s sole discretion and Rising Tide may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Funds’ Offering Documents, each Investor typically designates Rising Tide as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments,

agreements and documents necessary or advisable to carrying out the Funds' business and affairs, including execution of the Offering Documents. An Investor's execution of a Fund's subscription agreement, or similar document, constitutes its execution of the Fund's Offering Documents and the terms and conditions set forth therein.

With respect to the Pledge Funds, Investors retain the ability to decide, on a deal-by-deal basis on whether to participate in the investments that the Firm has sourced and offered to them, subject to prearranged terms and due diligence. Investors are permitted to conduct their own further due diligence before contributing capital to the Pledge Fund making the investment. Once such an investment is made by a Pledge Fund, the Firm has discretion over the management of the related Pledge Fund's assets. For example, the Firm will be responsible for decisions on the portfolio companies' operations and the timing of an exit.

Certain Funds are managed by the Investor member, and the Firm's responsibility is to source deals and provide reporting to the Investor. Thus, the Firm has non-discretionary authority over the assets in such Funds.

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

Rising Tide invests in the securities of private companies and therefore does not vote proxies on behalf of Clients. If in the future Rising Tide obtains authority to vote proxies, this Brochure will be appropriately amended.

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

Rising Tide has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy petition.

A. Balance Sheet

Rising Tide does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

Rising Tide has discretionary authority over Client assets. At this time, neither Rising Tide nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

Rising Tide has not been the subject of a bankruptcy petition in the last ten years.

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

Not applicable.