

**Item 1 – Cover Page**

**Form ADV Part 2A**

**Illumen Capital Management, LLC**

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Illumen Capital Management, LLC (the “Adviser” or “Illumen Capital”). If you have any questions about the contents of this Brochure, please contact us at (510) 250-1510. 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 authority.

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

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

## **Item 2 – Material Changes**

In March 2022, Illumen Capital Management, LLC filed its initial application to register as an investment adviser with the SEC. Accordingly, this is the first Brochure prepared by the Adviser. We encourage all recipients of this Brochure to read it carefully in its entirety.

In the future, this Item will identify and discuss the material changes, if any, since the last annual update.

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#### **Item 4 – Advisory Business**

Illumen Capital Management, LLC, a Delaware limited liability company (the “Adviser” or “Illumen Capital”), commenced operations in 2017 and is principally owned by Norris (Daryn) A. Dodson, IV (the “Principal”) and Lyric Capital LLC. The Adviser provides discretionary investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended.

The private investment funds that Illumen Capital manages are private equity funds of funds focused on investing in impact-generating private funds. The Adviser is dedicated to expanding equity and opportunity for people of color and women within the capital markets. The firm advances its mission by investing in private equity, venture, and growth funds, and subsequently delivering evidence-based coaching and tools designed to reduce implicit racial and gender bias. Illumen Capital is focused on identifying fund managers with market-driven investment strategies to address the complex, exponentially-growing challenges of climate change, underperforming education systems, inefficient healthcare, and non-inclusive financial markets.

Illumen Capital’s clients include the following (each, a “Fund,” and together with any future private investment fund to which Illumen Capital provides investment advisory services, the “Funds”):

- Illumen Capital, LP;
- Illumen Capital PRI, LP; and
- Illumen Capital II, LP.

Racial and gender bias is believed to impede the flow of capital to entrepreneurs and communities who have historically been overlooked and underestimated. By reducing implicit bias among fund managers, the Funds intend to increase access to capital for enterprises and communities that have been marginalized by race, gender, geography, and depth of poverty.

The investment strategy of each Fund is not tailored to particular investors, and investors cannot impose restrictions on any of the Funds’ investments.

Illumen Capital’s advisory services to the Funds are detailed in the applicable private placement memoranda, disclosure document, or other offering documents (each, a “Memorandum”) and/or limited partnership or other operating agreements, service agreements or governing documents (each, a “Fund Agreement” and, as applicable, together with any relevant Memorandum, the “Governing Documents”) and are summarized below under “Methods of Analysis, Investment Strategies and Risk of Loss,” as applicable. Investors in the Funds participate in the overall investment program for the applicable Fund.

As of December 31, 2021, the Adviser managed approximately \$150,024,138 in client assets on a discretionary basis.

## **Item 5 – Fees and Compensation**

In general, the Adviser and/or its affiliates receive a management fee (the “Management Fee”) in connection with advisory services. The Management Fee is paid quarterly in advance and deducted from investors’ capital accounts at an annual percentage rate of such capital accounts as follows:

Illumen Capital, LP: up to 1%

Illumen Capital PRI, LP: up to 1%

Illumen Capital II, LP: up to 1%

The general partner of each Fund, the Adviser, or their affiliates may from time to time enter into side letters or other similar agreements with certain investors in the Funds that have the effect of establishing rights under, or altering or supplementing the terms of, the relevant Governing Documents with respect to such investors.

### **Fund Expenses**

Each Fund bears, or reimburses its respective general partner entity or its affiliates for, all costs and expenses incurred in connection with the Fund’s organizational expenses and the Fund’s ongoing business and operations expenses (“Fund Expenses”), including, without limitation, private placement fees, finder’s fees, expenses (including travel expenses) incurred in investigating and evaluating investment opportunities (whether or not ultimately consummated), principal and interest on borrowed money in connection with a subscription facility (and fees and expenses related thereto), real property or personal property taxes on investments, including documentary, recording, stamp and transfer taxes, brokerage fees or commissions, legal fees, expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the Fund, including claims by or against a governmental authority, audit and accounting fees, legal, accounting and consulting fees relating to investments or proposed investments, taxes applicable to the Fund on account of its operations, fees incurred in connection with the maintenance of bank or custodian accounts, all expenses incurred in connection with the registration of the Fund’s securities under applicable securities laws or regulations, and travel expenses incurred in managing and holding portfolio interests. Each Fund also bears the reasonable cost of liability and other premiums for insurance protecting the Fund, its general partner, the Principal, and the Adviser and its employees from liability to third parties, all out-of-pocket expenses of preparing and distributing financial statements to investors as well as all costs of governmental returns, reports and other filings, bookkeeping services, out-of-pocket expenses associated with Fund communications with investors, including preparation of annual or other reports to the investors, out-of-pocket costs associated with Fund meetings, limited partner advisory committee meetings, all legal and accounting fees relating to the Fund and its activities (including tax and financial statement preparation), fees and expenses relating to outsourced finance, reporting, administration, accounting and back-office services (including those associated with technology, equipment and software related to such services), all costs and expenses arising out of the Fund’s indemnification obligations, all other expenses that are not normal operating expenses of the Fund’s general partner, and all liquidation costs, fees, and expenses incurred by

the Fund's general partner (or its designee) in connection with the liquidation of the Fund at the end of the Fund's term, specifically including, but not limited to, legal and accounting fees and expenses.

In addition to the costs and expenses noted above, Illumen Capital II, LP bears all costs and expenses related to collaborations with certain institutions focused on bias reduction, and all costs and expenses related to coaching sessions, platforms or any other services or activities focused on bias reduction provided to a portfolio entity.

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

In general, the Adviser and/or its affiliates receive a carried interest allocation on certain realized profits in the Funds corresponding to 5% of net gains above investors' return of capital. The Adviser and/or its affiliates generally have the authority to waive carried interest with respect to certain investors in the Funds.

The existence of performance-based compensation has the potential to create an incentive for the Adviser to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement. However, the Adviser generally considers performance-based compensation to better align its interests with those of investors in the Funds.

### **Item 7 – Types of Clients**

The Adviser provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the 1940 Act. The investors participating in the Funds may include, but are not limited to, high net worth individuals, partnerships, pension plans, and other institutions.

Fund interests generally are offered and sold only to accredited investors. In general, the minimum capital commitment for an investor in a Fund is \$5 million for institutions and \$1 million for individuals. The Adviser and/or its affiliates generally have the authority to waive this amount with respect to certain investors in the Funds.

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

#### **General**

Illumen Capital's team, including its core investment professionals, members of its investment committee, and members of its advisory committee, has deep experience identifying, evaluating and investing in impact funds. This wealth of experience provides Illumen Capital with unique insights into what works in impact fund investing, which in turn informs Illumen Capital's investment strategy.

Illumen Capital follows a well-defined, team-based process during the sourcing, screening, due diligence, and deal closing phases of each new investment, consistent with an institutional-grade fund of funds.

An investment in securities involves a high degree of risk. There can be no assurance that a Fund's investment objectives will be achieved, or that an investor will receive a return of its capital. Investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

### **Investment and Operating Strategy**

The Funds identify, invest in, and add value to the top fund managers that have demonstrated sound, market-driven impact investment strategies. Each Fund invests into a diversified portfolio of private funds managed by teams that have demonstrated strong track records of generating significant impact and strong financial returns. The Funds target managers that invest in companies poised for rapid and sustained growth across the following impact themes: (i) health and wellness, (ii) education, (iii) financial inclusion, and (iv) climate and sustainability.

### **Material Risks**

The risks associated with an investment in a Fund include, but are not limited to, the risks described below.

#### **Risk Inherent in Portfolio Fund Investments**

A Fund's investments in its portfolio funds entail high levels of business and financial risks that are inherent in the private equity and venture capital industries and, as applicable, real estate and debt industries. Private portfolio fund investments are subject to the risks associated with the underlying portfolio company businesses, which are often in an early stage of development, have little or no operating history, operate at a loss, need substantial additional capital to support expansion and are sometimes significantly leveraged. In addition, a portfolio fund's investment returns are solely dependent on private companies engaging in a liquidity event, and there can be no assurance that such an initial public offering or sale transaction will occur at the right time or at a favorable evaluation. Historically, the majority of seed and early stage venture capital investments fail, and there is no assurance that those that reach the public market can maintain their competitive advantage or retain values attained at the time of initial public offering or distribution from an underlying venture capital partnership(s). Other challenges that portfolio funds face may include technological challenges, regulatory issues, management issues, strong competition and financing challenges and a Fund not being able to participate in the management and control of such portfolio funds. Overall, there can be no assurance that the future performance of the portfolio companies in which the portfolio funds invest will be positive or result in rates of return that are consistent with historical performance.

Portfolio funds also face competition from other funds to identify the most attractive underlying portfolio company businesses and investments. Portfolio funds face management issues and regulatory burdens, and are affected by general global economic conditions. A Fund will not be able to mitigate these risks through participation in the management and control of such portfolio funds.

### **Early Termination of Portfolio Funds**

Should any of the portfolio funds in which a Fund invests terminate or otherwise truncate its investment program earlier than anticipated, a Fund may not invest as much capital as planned. The result could be a failure to achieve a multiple of return on a planned pool of capital, potentially negatively affecting an investor's portfolio returns.

### **Other Portfolio Fund Risks**

A Fund may invest with managers of portfolio funds that are experiencing a significant increase in the assets they manage, which may impair their ability to generate returns on par with their historical results. In addition, a manager faced with a significant increase in assets to invest may divert from stated strategies into strategies or markets with which it may have little or no experience. This could result in losses to the portfolio funds and, thus, a Fund. Also, strategies used by portfolio funds may not have been in use during periods of major market stress, disruption or decline. As a result, it is not known how these strategies will perform during such periods.

A Fund may also invest in portfolio funds that have limited operating history. There can be no assurance that such portfolio funds will return invested capital to any of their limited partners, including a Fund. There can be no assurance that such portfolio funds will have sufficient capital to protect their interests (and the interests of a Fund) from dilution if an underlying portfolio company raises additional capital and such portfolio funds do not have sufficient reserves to invest.

A Fund will be charged fees, carried interest and other compensation and expenses by the managers of their portfolio funds. Investors in a Fund will bear their pro rata share of such fees and expenses, and such fees and expenses will not reduce the fees, carried interest and expenses payable by investors.

### **Competitive Marketplace**

The business of identifying, completing and realizing, on attractive terms, private equity and venture capital investments is competitive and involves a high degree of uncertainty. The primary and secondary markets for interests in private equity and venture capital funds, as well as the market for direct investments in underlying companies, are all highly competitive. Historically, the competition for such investments has been from private equity partnerships and corporations, investment companies, private pension funds, endowments, government pension plans, private equity affiliates of large industrial and financial companies, and wealthy individuals, some of which will have greater resources than a Fund. There can be no assurance that the Adviser will be able to locate and complete attractive investments.

### **Absence of Liquidity and Public Markets**

A Fund's investments will generally be private, illiquid holdings. As such, there will be no public markets for the securities or interests held by a Fund and no readily available liquidity mechanism at any particular time for any of the investments held by a Fund. In addition, the realization of value from any investments will not be possible or known with any certainty until



the general partner of a Fund elects, in its sole discretion, to sell a Fund's investments and subsequently distribute the proceeds to its investors or to distribute securities or interests to investors in lieu of cash.

### **Limited Portfolio Diversification**

Although the Adviser makes all efforts to diversify its portfolio, Illumen Capital's assets may be subject to greater risk of loss than if they were more widely diversified. The failure of one or more portfolio funds could have an adverse effect on a Fund. In addition, a number of portfolio funds may have overlapping strategies and could accumulate large positions in the same or related securities. A Fund's ability to avoid such concentration would depend on its general partner's ability to reallocate Fund capital among existing or new portfolio funds, which might not be feasible.

### **Foreign Investments**

Although it is expected that most all of a Fund's investments will consist of investments in portfolio funds or companies located in the U.S., a Fund may make a limited number of investments in portfolio funds or companies located outside of the U.S. In the case of investments in securities that are not denominated in U.S. dollars, a Fund will incur risks related to: (i) any fluctuation in currency exchange rates; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in, and relative liquidity of, some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, limited information about an issuer, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic and political risks, including potential exchange control regulations, restrictions on foreign investment and repatriation of capital, expropriation or confiscatory taxation; and (iv) the possible imposition of foreign taxes on income and gains recognized with respect to foreign securities.

### **Pandemic Risk**

The outbreak of the novel coronavirus, COVID-19, has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to a Fund and the portfolio investments, their performance, and their financial results.

### **Cybersecurity Risk**

External cybersecurity breaches, including unauthorized access to systems, networks or devices (such as through "hacking" activity); infection from computer viruses or other malicious

software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality, may occur. In addition, internal incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems (“denial of services”), loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause a Fund, the Adviser, its affiliates, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, such incidents could affect a Fund’s portfolio funds and companies, and thereby adversely affect a Fund’s returns.

### **Side Agreements**

The general partner of each Fund may enter into side agreements with specific investors in the Fund providing for different or more favorable fees, special compensation arrangements, withdrawal rights, access to information about a Fund’s investments, more frequent or detailed reports, or other matters relating to an investment in a Fund. The general partner may enter into any such side agreement or waive or modify the terms applicable to any investment by any investor without notice to, or the consent of, other investors in the Fund.

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

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

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

Mr. Dodson and Lyric Capital, LLC are the owners of, and collectively control, Illumen Capital. They also own and control, where applicable, the general partners and sponsors of each Fund. The general partner entities may earn performance-based fees in the form of carried interest, and Mr. Dodson and Lyric Capital, LLC participate in the profits and losses of these entities.

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

The Adviser has adopted a Code of Ethics and Insider Trading policy and procedures (the “Code”), which set forth standards of conduct that are expected of the Adviser’s employees and addresses conflicts that arise from personal trading. The Code requires Adviser personnel to:

- report their personal securities transactions;
- pre-clear with the Chief Compliance Officer any proposed direct or indirect acquisition of beneficial ownership of any initial public offering or limited offering; and
- comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request.

The Adviser and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Adviser and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person.

### **Item 12 – Brokerage Practices**

As described in Item 4 above, Illumen Capital is the investment adviser to the Funds, which are private equity funds of funds. Due to the fact that the Funds' investments are in other private funds, the Adviser and its affiliates do not select or recommend broker-dealers for Fund transactions.

### **Item 13 – Review of Accounts**

The Funds generally hold private, illiquid, and long-term investments. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Illumen Capital closely monitors investments of the Funds. Illumen Capital continually reviews and analyzes existing portfolio companies and maintains an ongoing oversight position in such portfolio companies to identify issues early on and take action when necessary. Illumen Capital's investment and operational staff participate in the ongoing monitoring of client portfolios.

Investors in the Funds generally receive written reports that include a summary of acquisitions and dispositions of portfolio funds made, and valuations of the portfolio funds held, each quarter. In addition, investors receive audited financial statements on an annual basis.

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

The Adviser does not receive any economic benefit from an entity that is not a client for providing investment advice or other advisory services, nor does the Adviser compensate any broker-dealer or other third party for client or investor referrals.

### **Item 15 – Custody**

The Adviser has custody of the Funds' assets and is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). Pursuant to the Custody Rule, the Funds' assets are held with qualified custodians, to the extent required. The Funds' investors receive annual GAAP audited financial statements, which will be distributed within 150 days of each Fund's fiscal year-end.

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

The Adviser generally has discretionary authority to manage investments on behalf of the Funds. Investment advice is provided directly to the Funds, and not individually to the investors in the Funds. The Adviser's discretionary authority is limited by the terms of the respective Funds' limited partnership agreements and any instructions from the general partners of the Funds. Examples of the limitations on the Adviser's discretionary authority from the Funds' respective

limited partnership agreements include limitations on the amount of the Funds' assets that may be invested in: (i) a single portfolio company, (ii) internationally-focused funds, (iii) funds at a certain stage, and (iv) funds that are focused in a specific sector.

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

Based on the Adviser's business as a private equity fund of funds adviser (and therefore lack of involvement in publicly traded securities) it does not generally expect to engage in proxy voting. However, the Adviser has adopted a Proxy Voting policy (the "Proxy Policy") to address how it will vote proxies, as applicable, for each Fund's portfolio investments. The Proxy Policy seeks to ensure that the Adviser votes proxies in the best interest of the Funds, including where there may be conflicts of interest in voting proxies. The Adviser generally believes its interests are aligned with those of each Fund's investors and therefore will not seek investor approval or direction when voting proxies. Clients or investors may obtain a copy of the Adviser's Proxy Policy or information regarding how the Adviser voted proxies for particular portfolio investments by contacting the Chief Compliance Officer, and it will be provided at no charge.

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

The Adviser does not require prepayment of management fees more than six months in advance nor has any other events requiring disclosure under this item of the Brochure.