



FRIENDS & FAMILY
— CAPITAL —

Investment Adviser Brochure Form ADV Part 2A

March 29, 2022

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This Brochure provides information about the qualifications and business practices of Friends & Family Capital Management, LLC (“Friends & Family Capital” 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.

Friends & Family Capital 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 Friends & Family Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since the last Form ADV Part 2A filing for Friends & Family Capital, dated June 29, 2021, the following material changes have been made to the Brochure:

Item 4 was revised to update regulatory assets under management.

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Item 4 – Advisory Business

Friends & Family Capital, a Delaware limited liability company, is a venture capital firm and investment adviser that invests in private technology companies. The Firm is located in Menlo Park, California. Colin Anderson and John Fogelsong are the Firm's principal owners.

The Firm serves as an investment adviser to a private investment fund, which is organized as a Delaware limited partnership (the "Fund"). Friends & Family Capital may decide to organize and manage additional such funds in the future.

The Fund offers limited partnership interests ("Interests") to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as "Investors").

From time to time, Friends & Family Capital also forms and manages special purpose vehicles ("SPVs") to participate in certain investment opportunities. Collectively, the SPVs and the Fund will be known as the "Clients".

The Fund's strategy is described in its private placement memorandum and limited partnership agreement. The private placement memorandum, limited partnership agreement of the Fund, limited liability company agreements of the SPVs and subscription agreements are referred to herein as the "Governing Documents".

Advisory services are tailored to achieve the investment objective of the Fund or each SPV. Friends & Family Capital has the authority to select the investments and to determine the exit strategies at its discretion.

Friends & Family Capital does not participate in wrap fee programs.

As of December 31, 2021, Friends & Family Capital has approximately \$160,000,000 of regulatory assets under management on a discretionary basis. It does not manage assets on a non-discretionary basis.

Item 5 – Fees and Compensation

Friends & Family Capital charges a management fee in accordance with its offering documents as compensation for its services. The management fee ranges from 0% to 2.5% and is described in the Governing Document of each Client as applicable. Management fees paid at the beginning of a fiscal quarter will be prorated for partial periods.

Investors in the Fund or an SPV will pay a carried interest equal to a percentage of all realized net profits, generally 20% to 30%, as described more fully in the Governing Documents of the Fund or an SPV. The carried interest is generally subject to a claw-back at the end of life of the Fund or an SPV if the general partner of the Fund or managing member of an SPV (each, a “General Partner”) has received excess cumulative distributions.

Management fees are payable by the Fund to its General Partner quarterly, in advance. The management fee is allocated to the capital accounts of the limited partners and assigned to the Firm by the General Partner. The Fund or an SPV will pay carried interest in accordance with the terms of its Governing Documents.

Expenses borne by each Client are described in detail in the applicable Governing Documents. Organizational expenses borne by the Firm may be allocated to Clients in the Firm’s sole discretion, up to an amount specified in the Governing Documents. In addition, each Client typically will pay (or reimburse the applicable General Partner or the Firm) charges for services by third parties and other expenses, including (but not limited to) expenses related to: (i) costs of marketing/placing interests in the Client (other than actual fees paid to a placement agent, if any); (ii) ongoing legal, accounting, administration, audit, book keeping, consulting, custodial, research, data, valuation, and other professional fees (including the fees of attorneys, accountants, consultants, brokers, advisors and other third parties and reasonable costs of in-house legal and tax professionals employed by the General Partner or the Firm to the extent they provide services that otherwise would have been provided by third party attorneys or accountants); (iii) virtually all out-of-pocket costs associated with identifying, acquiring, monitoring, improving and disposing of investments (including costs of travel, banking, brokerage, syndicate, broken-deal, registration, finders, depositary, and similar fees); (iv) costs of hedging against changes in the value of Client assets or obligations; (v) costs incurred in acquiring, holding, and selling portfolio securities, including taxes imposed on the Client; (vi) insurance premiums, indemnifications, and litigation costs; (vii) costs of preparing Client financial statements, tax returns and other reports; (viii) costs of Client, General Partner and Firm compliance with applicable laws and regulations; and (ix) costs of Client meetings. In addition to Friends & Family Capital’s management fees, carried interest, and other expenses outlined in the Clients’ Governing Documents, certain Clients may pay management fees, carried interest, and other expenses to the general partners or managing members of the underlying funds in which the Clients are invested, and the Investors will bear such expenses indirectly through their investment in such Clients. See the applicable Governing Documents for a complete list.

Clients invest in the securities of private companies on a long-term basis. Accordingly, all fees are paid during the term of the Fund or SPV, and Investors are generally not permitted to withdraw or redeem Interests.

Neither Friends & Family Capital nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with Friends & Family Capital.

The foregoing discussion in Item 5 represents Friends & Family Capital's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Investment Advisers Act of 1940, as amended. Certain circumstances and arrangements with any particular Investor may vary.

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

As discussed in Item 5, Friends & Family Capital generally receives a carried interest equal to a percentage of all realized profits in the Fund or a particular SPV. Differences in Friends & Family Capital's compensation arrangements with its Clients, particularly if some Clients were to pay higher performance-based compensation, could create incentives for Friends & Family Capital to manage Client portfolios so as to favor those portfolios of Clients paying higher performance-based compensation, as could the ownership interest of Friends & Family Capital and/or its affiliates (e.g., as a General Partner) in some Clients. Notwithstanding these conflicts, Friends & Family Capital will allocate transactions and opportunities among the various Clients it manages in a manner it believes to be as equitable as possible, considering each Client's objectives, programs, limitations, and capital available for investment, but even Funds with similar objectives will often have different investment portfolios.

Friends & Family Capital adopts the general policy to offer SPVs after it determines the Fund is fully invested. Friends & Family Capital has, and expects in the future, to permit its employees, consultants, advisors, and certain external high value strategic and/or value add investors to directly or indirectly "co-invest" alongside Clients in certain investments in an effort to, among other things, further align their interests with those of the investors and/or potentially provide strategic assistance or networking to portfolio companies. As a result of these co-investments, Clients have in the past and will likely in the future, not be able to invest as much in a particular limited capacity investment as would be the case if such persons were not permitted to co-invest in these opportunities. Further, such co-investments are expected to be made in certain transactions but not all transactions as determined on a case by case basis, and accordingly, Friends & Family Capital and its affiliates may have an incentive to concentrate such capital in transactions that they view as most favorable.

Performance-based compensation may provide a possible incentive for Friends & Family Capital to make riskier or more speculative investments on behalf of a Client than it might

make otherwise. Notwithstanding this potential incentive, Friends & Family Capital 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

Friends & Family Capital provides investment advice and management to its Clients and may in the future provide the same or similar services to other privately placed investment funds and/or other Clients.

Friends & Family Capital will offer Interests in a Client only through private placements in order to maintain their exclusion from “investment company” status under the Investment Company Act of 1940, as amended. The Fund may engage in general solicitations to the public, consistent with Rule 506(c) under the Securities Act of 1933, as amended (the “Securities Act”). The Fund will only accept accredited investors and will confirm an Investor's accredited investor status before placing an Interest with the Investor. Other Clients will not be permitted to engage in general solicitation, consistent with Rule 506(b) under the Securities Act.

Prospective Investors in a Client must meet eligibility criteria and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Client's Governing Document, which set forth all of the Client's terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ. Terms for Clients which are SPVs formed primarily to invest in a specific target company can be negotiated on a case-by-case basis and generally differ from those of the Fund.

Each Investor generally must be an “accredited investor” (as defined in Regulation D under the Securities Act) and a “qualified client” (as defined in Rule 205-3 under the Advisers Act) and must meet other criteria as specified in the Governing Documents. The minimum initial investment varies by Client but is generally in the range of \$1 million and is subject to waiver at the discretion of the General Partner.

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

Friends & Family Capital's investment goal is to produce superior long-term, risk-adjusted returns through investments in growth focused technology opportunities.

The Firm evaluates investments on multiple metrics, including the size and dynamics of the target market, quality of the management team, business model, durability of growth, network effects, and sustainable competitive advantage. The Firm leverages the experience,

knowledge, and networks of the investment team to help entrepreneur-led companies grow in a capital efficient manner.

An investment in a Client is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in a Client, who have a limited need for liquidity in their investment, and who meet the conditions set forth in Governing Documents. There can be no assurances that a Client will achieve its investment objective. A Client may be deemed to be a highly speculative investment and is not intended as a complete investment program.

The following risks should be carefully evaluated before making an investment in a Client. The list of risks below does not purport to be an exhaustive list of the risks relating to an investment in a Client. Prospective Investors should also consult their own legal, investment, tax, and other advisers, and the Governing Documents, as to whether an investment with the Firm is appropriate for them.

An investment in a Client involves a high degree of risk, and is suitable only for sophisticated investors of substantial means who have no immediate need for liquidity of the amount invested, and who have the resources to properly evaluate such an investment. In addition to factors set forth elsewhere in this Brochure, prospective investors should carefully consider the following.

Risks Associated with Portfolio Investments. Identifying and participating in attractive investment opportunities and assisting in the building of successful young/emerging enterprises is difficult. There is no assurance that a Client's investments will be profitable and there is a substantial risk that a Client's losses and expenses will exceed its income and gains. Any return on investment to the Investors will depend upon successful investments made on behalf of a Client by its General Partner. There often will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions by the General Partner will be dependent upon the ability of its members and agents to obtain relevant information from non-public sources, and the General Partner often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the General Partner's control. Typically, although a member of the General Partner may serve 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 a Client or its General Partner). A Client may hold minority positions in portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic, management or other attributes. Portfolio companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Portfolio companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. Each Client's capital is limited and may not be adequate to protect a

Client from dilution in multiple rounds of portfolio company financing. 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 a Client to dispose of investments, and the value of investment securities on the date of sale or distribution by such Client. In particular, the receptiveness of the public market to initial public offerings by a Client's portfolio companies may vary dramatically from period to period. An otherwise successful portfolio company may yield poor investment returns if it is unable to consummate an initial public offering at the proper time. Even if a portfolio company effects a successful public offering, a Client or the Investors may be prevented from disposing of the portfolio company's securities for a material period of time due to a contractual "lock-up," applicable law or other restrictions. Similarly, the receptiveness of potential acquirors to a Client's portfolio companies will vary over time and, even if a portfolio company investment is disposed of via a merger, consolidation or similar transaction, a Client's stock, security or other interests in the surviving entity may not be marketable. There can be no guarantee that any portfolio company investment will result in a liquidity event via public offering, merger, acquisition or otherwise, and there is a significant risk that a Client's investments will yield little or no return. Generally, the investments made by a Client initially 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 a Client's investment, a portfolio company may lack one or more key attributes (e.g., proven technology, appropriate patent protection, marketable product, complete management team, regulatory approvals or strategic alliances) necessary for success. Many or most of a Client's portfolio companies will be dependent for their success upon the development, implementation, marketing and customer acceptance of new technologies that can be rendered obsolete or otherwise unattractive at any time. In some (possibly most) cases, the success of a Client's portfolio companies will depend upon the development of business, technology or other "ecosystems" that may or may not reach critical mass during the relevant time period. In particular, there have been many examples of technology-related investments that failed to produce attractive returns simply because they were made too early in the development of such ecosystems, and there can be no assurance that a Client will make investments at the proper time to achieve its investment goals. Some portfolio companies may be reliant for their success upon regulatory approvals, while others may require changes to existing (or the development of new) regulatory regimes. Regulatory approvals and changed/new regulatory regimes may be costly, difficult or impossible to obtain (and, if obtained, may be forthcoming only after a very extended period of time). Investments into certain types of regulated portfolio companies may impose costly and burdensome regulatory obligations upon a Client itself. In most cases, investments will be long term in nature and may require many years from the date of initial investment before disposition. It is likely that a Client will still hold some illiquid securities at the time of such Client's dissolution, with the result that such securities may be distributed in-kind or sold for a price that reflects their illiquid nature.

Relative to mature companies, young/emerging companies often have not yet developed comprehensive legal, regulatory, financial audit/control and similar compliance capabilities.

This will make it more difficult for a General Partner to conduct diligence upon prospective portfolio companies and to monitor companies that have entered a Client's portfolio. It enhances the risks that otherwise successful portfolio companies will experience adverse consequences due to unintended violations of legal, regulatory or similar obligations. It also enhances the risks that portfolio companies or a Client will experience adverse consequences due to intentional wrongdoing by portfolio company personnel or third parties.

It is anticipated that a portion of a Client's investment portfolio will consist of securities issued by publicly traded companies (e.g., as the result of a direct investment in publicly traded securities, an initial public offering effected by a previously private portfolio company, or acquisition of a private portfolio company by a publicly traded company). The fact that a portfolio company is publicly traded will not necessarily reduce the business and other risks associated with an investment in such company. For example, the last few decades have seen multiple periods during which early stage companies have been able to effect initial public offerings, and the stage at which companies are able to effect an initial public offering varies in different markets around the world. Moreover, investments in publicly traded companies often are subject to additional risks, such as increased risks of litigation and greater securities law and other regulatory burdens, as well as risks associated with "insider trading" and similar rules.

Long-Term Investment. An investment in a Client is a long-term commitment and there is no assurance of any distribution to the Investors. Under rules set forth in the Governing Documents, a General Partner may extend a Client's period of liquidation to resolve outstanding obligations of such Client. In particular, when selling or similarly disposing of portfolio securities, a Client may (as a commercial matter) be required to undertake tax or other indemnification obligations with terms extending beyond the ordinary term of the Client, with the result that the Client may retain assets during an extended liquidation period to help ensure satisfaction of such obligations before the Client's final termination.

Limited Transferability of Interests; Withdrawals. The Governing Documents and applicable securities laws will impose substantial restrictions upon the transferability of Interests. There is no public or other market for Interests and it is not expected that such a market will develop. Withdrawal of Investors from a Client generally will not be permitted, although the Governing Documents may specify certain circumstances under which an Investor may be entitled, or required, to withdraw from the Client. A withdrawn Investor may not be entitled to immediate payment for its interest in a Client. Any withdrawal of an Investor may reduce the amount of Client capital available for investment or other activities.

Competition. The venture capital/private equity business is highly competitive, and has become more so in recent years due to a substantially increased flow of capital into venture capital/private equity funds and similar investment organizations. Each Client and its General Partner will be competing with other established funds and investment organizations with substantial resources and experience. Moreover, the volume of attractive

investment opportunities varies greatly from period to period. There can be no assurance that a Client will be able to make investments on attractive terms, and it is possible that the Client's term will expire before the Client has invested all of its available capital.

Changes in Environment. A Client's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Client operates is expected to undergo substantial changes, some of which may be adverse to the Client. The General Partner will have the exclusive right and authority (within limitations set forth in the Governing Documents) to determine the manner in which a Client shall respond to such changes, and Investors generally will have no right to withdraw from the Client or to demand specific modifications to the Client's operations in consequence thereof. Prospective investors are particularly cautioned that the investment sourcing, selection, management and liquidation strategies and procedures exercised by members of the General Partner in the past may not be successful, or even practicable, during the Client's term. Within the limitations set forth in the Governing Documents, the General Partner will have the right and authority to cause the Client's investment sourcing, selection, management and liquidation strategies and procedures to deviate from those described in this Brochure.

Epidemics, Health Risks and COVID-19. The recent outbreak of the novel COVID-19 or "coronavirus" across many countries around the globe, including extensively in the United States, has begun to materially and adversely slow global commercial activity, has contributed to significant volatility in financial markets, and has caused many to fear a potential United States and/or global recession and significant loss of employment. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines, significant restrictions on group gatherings, and restrictions and prohibitions on travel. Such actions are creating disruption in the global economy and supply chains and adversely impacting a number of industries, including retail, transportation, hospitality, office, multi-family, senior housing and entertainment. The outbreak and related curtailment in personal and economic activity are likely to have a material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation and potential for new strains of the virus or other viruses precludes any meaningful prediction as to the ultimate adverse impact. What is clear at this time, however, is that the coronavirus presents material uncertainty and risk with respect to a Client's prospects, performance and financial results.

Performance, Existing Investments and Prospects. All unrealized performance information, investment strategy, and targeted returns presented throughout this Brochure were prepared as of the dates indicated. Such information was prepared at such times in good faith based on a number of fundamental assumptions as of such dates, including assumptions relating to the broader economy, macro and applicable micro economic conditions, the geopolitical landscape, liquidity and depth of transactional markets, health, population, and

the environment, etc. With the unprecedented (and to date incurable) advancement of the COVID-19 pandemic, most of those assumptions at the current time appear to be inaccurate or in a state of suspension. Consequently, all unrealized performance information, the portions of the investment strategy which related to targeted returns, and valuations of current investments held within a Client are at the time of this writing indeterminate, but may be materially lower than those last presented. While in the medium to longer term the Firm believes a Client should see attractive opportunities consistent with its larger investment themes and strategy, it will likely take some time for the markets to recover.

Broad Investment Authority of the General Partner. As described elsewhere in this Brochure, a Client's investment sourcing, selection, management and liquidation strategies and procedures may deviate from those described in this Brochure for a variety of reasons including changes in the external environment within which the Client operates as well as challenges and opportunities faced by a Client's portfolio companies. Subject only to the limits set forth in the Governing Documents, the General Partner will have broad authority to implement, expand, contract, adapt and otherwise modify a Client's investment sourcing, selection, management and liquidation strategies and procedures in such manner as the General Partner determines to be appropriate.

Reliance on Individual Members of the General Partner. Each Client will be particularly dependent upon the efforts, experience, contacts and skills of the individual members of the General Partner. The loss of any such individual could have a material, adverse effect on the Client, and such loss could occur at any time due to death, disability, resignation or other reasons. Moreover, except as specifically provided in the Governing Documents, the members of a General Partner will not be required to devote their time and attention exclusively to a particular Client. Additional members may be admitted to a General Partner following the Client's commencement date and the Investors will have no power to prevent any specific person from being admitted to a General Partner as a member thereof. Within a General Partner, the economic, voting and other rights of the individual members of such General Partner will be determined by agreement among such members and will be subject to change, without notice to the Investors, from time to time. The Investors will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by the General Partner in making decisions. Except as specifically provided in the Governing Documents, the General Partner will have the exclusive right and power to manage a Client's business and affairs.

Some or all of the members of the General Partner may lack substantial prior experience managing an investment fund such as the Client and/or working with other members of the General Partner.

Any prior experience that members of the General Partner may have in making investments of the type expected to be made by a Client necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be

no assurance that members of the General Partner will be able to duplicate prior levels of success.

Individuals referenced in this Brochure as members of the General Partner or otherwise may actually conduct their affairs (including, without limitation, their participation in the General Partner) through one or more wealth management, estate planning, tax planning, liability limiting or regulatory compliance entities. The use of such entities may, among other potential consequences, limit the ability of the Investors to obtain direct recourse against such individuals in the case of breach of any duty or obligation.

Investor Defaults. Investors in a Client generally may not contribute the full amount of their capital commitments to the Client at the time of their admission. Instead, they will be required to make incremental contributions pursuant to capital calls issued by the General Partner from time to time. Investors that fail to satisfy capital calls in a timely manner generally will be subject to significant penalties as described elsewhere in this Brochure. Nevertheless, Investors may default upon capital calls for a variety of reasons including their own insolvency, bankruptcy or subjective determination that default is more attractive than compliance.

Some investors may participate in a Client through their own special purpose vehicles or other structures that have the effect of limiting the Client's recourse against such investors for amounts not paid or contributed.

Any failure by Investors to make timely capital contributions in respect of their capital commitments (or to make any other payments required under the Governing Documents or applicable law) may impair the ability of a Client to pursue its investment program, force a Client to borrow, or cause other damage. If a particular Investor fails to make a contribution or other payment, other Investors may effectively bear the burden of such Investor's share of Client-related costs or expenses.

Notwithstanding the foregoing, the General Partner generally will be under no obligation to confirm the creditworthiness of any investor before or after admitting such investor to a Client as an Investor, nor will the General Partner be under any obligation to exclude from the Client any investor based on creditworthiness-related considerations.

Reserves. In managing a Client, its General Partner will establish reserves for follow-on investments in portfolio companies, operating expenses (including management fees payable to the General Partner, if applicable), Client liabilities, and other matters. Estimating the amount necessary for such reserves will be difficult, particularly because follow-on investment opportunities will be directly tied to the success and capital needs of portfolio companies. As set forth in the Governing Documents, the General Partner's authority to cause a Client to borrow will be strictly limited, which will further increase the difficulty of estimating the proper size of reserves. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the Investors. For example, if

reserves are inadequate, a Client may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with a "pay-to-play" or similar investment round. If reserves are excessive, a Client may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Dilution. Following a Client's commencement date, the General Partner will be authorized to admit additional Investors (or accept increased capital commitments from existing Investors) during a specified period (the "Open Window Period"). For purposes of allocating Client profit and loss, all capital commitments made during the Open Window Period generally will be treated as if made at the Client's commencement date. In consequence, additional Investors (or existing Investors that increase their capital commitments) may effectively "buy into" a Client during the Open Window Period at a price that does not necessarily reflect changes in the value of a Client's assets subsequent to the commencement date.

Recycling Investment Proceeds. Except as specifically set forth in the Governing Documents, a General Partner will have broad authority to "recycle" investment proceeds (e.g., cash received upon sale of portfolio securities) for Client purposes such as new investments and payment of Client expenses. While the practice of recycling investment proceeds can have many benefits (such as enabling a Client to more broadly diversify its portfolio and providing a cushion against cash shortfalls), the authority to recycle investment proceeds effectively increases the amount of capital available to a General Partner in managing a Client (i.e., it effectively increases the Client's "size"). Moreover, especially in light of a Client's limited term, it can create conflicts of interest, such as an incentive on the part of the General Partner to cause the Client to make additional, non-marketable investments late in the Client's term (e.g., for the purpose of enhancing the Client's IRR, mitigating the risk or size of any General Partner claw-back obligation, or to maintain investment activities during a period when it is difficult to raise a successor fund). This, in turn, could make it difficult for Investors to deny General Partner requests for an extension to the Client's term. Recycling investment proceeds typically would result in delayed or reduced distributions to the Investors in respect of recycled amounts, and may incentivize the General Partner to seek taxable cash exits for certain portfolio securities in lieu of distributing such securities in kind. More generally, the practice of recycling investment proceeds tends to enhance competition and other conflicts of interest among affiliated (but non-parallel) funds related to the General Partner because earlier-formed and later-formed funds may simultaneously seek to participate in the same investment opportunities or to become co-investors or cross-investors in the same portfolio companies. For additional discussion regarding such conflicts, see the applicable Governing Documents.

Relationship with General Partner Affiliates. Except as otherwise specifically provided in the Governing Documents, there is no assurance that a Client will be offered any specific investment opportunities that come to the attention of a General Partner or that a Client

will be permitted to invest the full amount it desires to invest in any such opportunity that is made available. In many cases, the apportionment of investment opportunities among affiliates of the General Partner will be subject to the General Partner's discretion.

Economic Interest of General Partner. Because the percentage of profits allocated to a General Partner will exceed the capital contribution percentage of the General Partner, and because certain net losses otherwise allocable to the General Partner will be specially allocated to all the Investors (up to the point that the Investors' capital account balances reach zero), the General Partner may have an incentive to make investments that are riskier or more speculative than if the General Partner received allocations on a basis identical to that of the Investors or were compensated on a basis not tied to the performance of a Client. Moreover, the members of the General Partner generally will benefit from management fees paid by a Client even if the Client is not profitable. Among other things, this arrangement may incentivize a General Partner to maintain the existence of a Client (or to defer causing a Client to dispose of portfolio assets) for the purpose of maintaining the payment of management fees.

Expenses. The Governing Documents contain detailed provisions regarding the apportionment of expenses between the General Partner/Firm (on the one hand) and a Client (on the other hand). As a general matter, the General Partner and the Firm must bear their own internal costs of existence and operations, such as rent, member/employee salaries, and their own internal financial reporting and tax preparation. In general, a Client may pay management fees to the General Partner (the right to receive such fees may be assigned by the General Partner to the Firm) as well as substantially all other expenses associated with the organization, existence and operations of the Client. As described in the Governing Documents, expenses to be borne by the Client generally include, without limitation, expenses associated with the formation of the General Partner itself (because the General Partner, as an entity, has been (or is being) created specifically in connection with the Client), costs of marketing/placing interests in the Client (other than actual fees paid to a placement agent, if any), legal and other fees associated with the formation of the Client (including fees charged by attorneys representing the General Partner/Client for negotiations with prospective Investors), virtually all out-of-pocket costs associated with identifying, acquiring, monitoring, improving and disposing of Client investments (including costs of travel, fees paid to "finders" and costs associated with broken deals), costs of hedging against changes in the value of Client assets or obligations, most costs associated with litigation (or threats of litigation) against the Client, the General Partner, the Firm, or the members/employees of the General Partner or the Firm, the costs of preparing Client financial statements, tax returns and other reports, the fees of attorneys, accountants, consultants, brokers, advisors and other third parties, reasonable costs of in-house legal and tax professionals employed by the General Partner or the Firm to the extent they provide services that otherwise would have been provided by third party attorneys or accountants, and costs associated with certain securities law and similar compliance obligations imposed upon the General Partner or the Client.

The cost of fees paid by a Client may be very substantial. For example, a General Partner may engage third parties on behalf of a Client to identify/source investment opportunities, perform analysis/diligence in respect of potential investments, technologies, markets, or other issues, or provide portfolio companies with advice, guidance or other benefits. The apportionment of expenses inherently creates conflicts of interest between the General Partner and the Client. For example, in many cases, the same individual could be admitted or engaged as a member or employee of the General Partner or Firm (in which case, the General Partner or the Firm generally would bear the expense of such individual's salary, etc.) or as a consultant/advisor (in which case the Client or a portfolio company generally would bear the expense of fees paid to such individual). In general, Investors will have no right to require that any particular individual be admitted, engaged or retained as a member or employee of the General Partner or the Firm, with the result that decisions regarding such matters generally will be made by the General Partner and the Firm on the basis of their own interests (e.g., their own determinations as to the appropriate size of their organizations). Related to the foregoing, investors should be aware that an individual designated as an entrepreneur-in-residence, executive-in-residence, operating partner, venture partner, venture advisor or in similar manner may be compensated by the General Partner or the Firm (e.g., as member or employee), by the Client (e.g., as a consultant to the Client), or by a portfolio company (e.g., as a consultant to, or founder/officer/director/employee of, such portfolio company) generally as determined by the General Partner or the portfolio company in its discretion. In certain cases, a portfolio company may reimburse the General Partner or the Firm for costs that otherwise would be borne by the General Partner or the Firm under the Governing Documents. In general, the Client would not be entitled to benefit from any such reimbursement.

Prospective Investors should note that, as provided in the Governing Documents, expenses borne by a Client generally will be allocated among the Investors in proportion to their respective capital commitments to the Client, and therefore generally will be excluded from the calculation of the General Partner's carried interest. This may further incentivize a General Partner to manage expenses in such a manner that they are borne by a Client rather than the General Partner or to structure Client transactions in a manner that increases both expected investment income/gain and related expenses. Within a limited range of investment performance, this could even result in circumstances in which the General Partner is entitled to receive and retain carried interest distributions from a Client, while the Investors (over the entirety of the Client's term) experience a net loss in respect of their total investment in the Client.

A Client may incur expenses in connection with a potential investment that is expected to be made by the Client along with one or more co-investors. As a general matter, a Client will be obligated to pay all of its expenses in connection with an investment opportunity that is considered by the Client, even if the investment is not consummated, and even if potential co-investors do not agree to pay any share of such expenses. To the limited extent set forth in the Governing Documents, the General Partner is obligated to apportion expenses among

the Client and certain other funds affiliated with the General Partner. However, many other types of circumstances may arise. For example, the General Partner (or a member or affiliate thereof) may attempt to create a special purpose vehicle or similar entity that will complete its formation and otherwise be in a position to bear expenses relating to a potential co-investment only if the co-investment is consummated. Thus, there may be no third party that has agreed to share expenses with the Client if the co-investment is not consummated, with the result that the Client may bear all of its expenses notwithstanding that third parties may have benefitted from the opportunity to review, investigate and otherwise assess the potential co-investment. The General Partner will have no obligation to prevent such circumstances from arising.

Except as specifically provided in the Governing Documents, the General Partner will have no obligation to manage a Client's affairs in a manner that avoids advantage to the General Partner resulting from the methods of apportioning expenses set forth in the Governing Documents.

Overall Costs. From the perspective of an Investor, such Investor's share of expenses to be borne by a Client (including management fees (if applicable) and other expenses not borne by the General Partner/Firm) together with the dilution of such Investor's share of a Client profit resulting from the General Partner's carried interest effectively constitute (as a matter of economics, although not necessarily for accounting, regulatory or tax purposes) a cost of investing into portfolio securities through the Client. Viewed from this perspective, when compared with many other types of investment opportunities, a Client is relatively high-cost. Prospective Investors should invest in a Client only after having made their own determination that the potential benefits of investing in the Client outweigh the corresponding costs. As noted elsewhere in this Brochure, an investment in a Client is high-risk, and there can be no assurance that a Client will generate sufficient profits to outweigh such costs.

Side Agreements. In accordance with common industry practice, a General Partner may enter into one or more "side letters" or similar agreements with certain Investors pursuant to which the General Partner grants to such Investors specific rights, benefits or privileges that are not made available to Investors generally. Such agreements will be disclosed only to those actual or potential Investors that have separately negotiated with the General Partner for the right to review such agreements.

Capital Calls. Capital calls will be issued by a Client from time to time at the discretion of the General Partner, based upon the General Partner's assessment of the needs and opportunities of the Client. To satisfy such calls, Investors may need to maintain a substantial portion of their capital commitments in assets that can be readily converted to cash. Except as specifically set forth in the Governing Documents, each Investor's obligation to satisfy capital calls will be unconditional. Without limitation on the preceding sentence, an Investor's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of a Client or upon any assessment thereof provided by its

General Partner. Notwithstanding the foregoing, a General Partner will not be obligated to call 100 percent of the Investors' capital commitments during a Client's term.

Consequences of Failure to Make Contribution in Full. If an Investor fails to satisfy any capital call on a timely basis, a General Partner may elect to cause the defaulting Investor to forfeit up to 50 percent of any future profits (but not losses) that otherwise would have been allocable to the defaulting Investor as well as up to 50 percent of the defaulting Investor's then existing capital account balance. The General Partner may require that the remainder of the defaulting Investor's capital commitment be canceled, and may designate a person to assume the entire unpaid balance of the defaulting Investor's commitment and succeed to all of the rights of the defaulting Investor with respect thereto. The General Partner may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by the defaulting Investor. The General Partner will be granted additional powers to deal with defaulting Investors in the Governing Documents. Accordingly, an Investor that fails to satisfy a substantial number of capital calls, or that remains in default for a substantial period of time, may effectively be required to forfeit its entire interest in a Client, while remaining obligated to satisfy its entire capital commitment.

Distributions in Kind. It is anticipated that a Client will from time to time distribute portfolio company securities to the Investors. Except as specifically provided in the Governing Documents, such distributions will be made solely at the discretion of the General Partner.

Distributed securities may be subject to a variety of legal or practical limitations on sale. In particular, immediately following a distribution of securities, trading volume may be insufficient to support sales by the Investors without such sales triggering a price decline which makes it difficult or impossible for all Investors to sell such securities at the distribution price. Nevertheless, the distribution price of such securities will be established under the provisions of the Governing Documents and will not be adjusted to reflect actual sale prices obtained by the Investors.

Freedom of Information/Sunshine Laws. Under "freedom of information," "sunshine," "public records" and similar laws, certain governmental or other regulated entities such as state universities and pension funds may be required to publicly disclose confidential information regarding a Client or its portfolio companies, notwithstanding contractual obligations (such as those contained in the Governing Documents) to the contrary. Any such disclosure could have a material adverse effect upon the Client or its portfolio companies, and could even expose the Client, the General Partner or the members of the General Partner to claims for damages brought by portfolio companies or other persons related thereto. Nevertheless, the Governing Documents will not prohibit such entities from being admitted to the Client.

No Assurance of Confidentiality. As part of the subscription process and otherwise in their capacity as Investors, investors will provide significant amounts of information about themselves to the General Partner and the Client. Under the terms of the Governing

Documents as well as applicable laws, such information may be made available to other Investors, third parties that have dealings with the Client, and governmental authorities (including by means of securities law-required information statements that are open to public inspection).

Concentration of Investments. A Client's portfolio may become concentrated in a limited number of companies in certain high technology or other industries, increasing the vulnerability of the portfolio as compared with a portfolio that is more diversified. In certain cases, a Client may acquire majority or greater interests in portfolio companies, which could further increase the vulnerability of the portfolio.

Fund Size. Subject only to specific limitations set forth in the Governing Documents, a General Partner will have discretion to determine the amount of capital commitments accepted from Investors. Moreover, a General Partner may be more, or less, successful than anticipated in raising capital for a Client. As a consequence, the total amount of capital commitments made to a Client may be more or less than any target amount specified by the General Partner in this Brochure or otherwise. Any such deviation may have a material impact upon the operations of a Client. In particular, if the total capital commitments to a Client are less than targeted, the Client's investment program may be impaired. Nevertheless, prospective Investors may rely only upon minimum and maximum capitalization rules set forth in the Governing Documents, and may not otherwise rely upon any expectation that total capital commitments to a Client will match any specified target amount.

Non-United States Investments. A Client may invest in securities of non-United States portfolio companies. Such investments may present a variety of risks not presented by investments in United States portfolio companies, including risks associated with: (i) fluctuating currency exchange rates; (ii) limitations on currency exchange or the transfer of capital/profits across international boundaries; (iii) different accounting standards; (iv) different legal protections for investors; (v) unusual regulatory burdens; (vi) political instability; and (vii) multiple taxing jurisdictions.

Even those portfolio companies that nominally are United States portfolio companies by virtue of their jurisdiction of organization or management headquarters may be exposed to significant non-United States risks due to the increasingly international nature of many early stage technology companies (which may, for example: (i) rely upon international location or outsourcing of research, development, manufacturing or other operations; (ii) seek alliances with non-United States partners; or (iii) seek non-United States customers).

Any adverse change to the political, economic, military or social environments in the host countries of a Client's portfolio companies could have a significant adverse effect upon the operations or financial performance of the Client.

Limited or No Control over Portfolio Companies. A General Partner generally will not seek control over the management of the portfolio companies in which a Client invests, and the success of each investment generally will depend on the ability and success of the management of the portfolio company. A Client will almost always invest in companies in which other venture capital/private equity firms have made equity investments. Unlike many venture capital/private equity firms, a Client typically will not have the right to designate a member of the board of directors of its portfolio companies, with the result that other investors are expected to have more influence in decisions made by and affecting portfolio companies. The mere fact that the General Partner disagrees with decisions made by other investors in a portfolio company likely will not trigger any particular ability of the Client to dispose of its investment in such portfolio company, with the result that the value of the Client's investment in a portfolio company may be materially impacted by the decisions of other investors.

Service on Boards of Directors, Material Non-Public Information, Etc. Individual members of a General Partner may serve as officers or directors of portfolio companies. In their capacity as officers or directors (or even simply by virtue of the Client's status as a significant shareholder of a portfolio company), such individuals may become subject to fiduciary or other duties which adversely affect the Client. For example, a Client may be unable to sell or otherwise dispose of portfolio securities if a member of the General Partner is in possession of material, non-public (i.e., "inside") information relating to the issuer thereof. Nevertheless, the Governing Documents will not preclude members of the General Partner from serving as officers or directors of portfolio companies or otherwise acquiring material, non-public information regarding portfolio companies. Conversely, the Governing Documents will not require that members of the General Partner serve as officers or directors of portfolio companies, and there can be no assurance that the General Partner will have a legal right to influence the management of any portfolio company or companies.

In general, if there is a conflict between the fiduciary duties of a General Partner or a member thereof to a portfolio company and such person's fiduciary duties to a Client or the Investors, such person's fiduciary duties to the portfolio company will prevail.

Litigation Risks. Each Client will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that one or more portfolio companies will face financial or other difficulties during the term of a Client's investment. For example, it is anticipated that individual members of a General Partner may actively assist portfolio companies in differing capacities (including, without limitation, by serving as officers, directors, or advisors). A Client may also participate in portfolio company financings at implicit portfolio company valuations lower than the valuations implicit in preceding rounds of financing, vote portfolio company shares in a manner contrary to the interests of other shareholders, or be exposed to flow-through liability for portfolio company debts and obligations (e.g., under laws governing liability for environmental damage). In the event of a dispute arising from any of the foregoing activities (or other activities relating to the

operation of the Client or the General Partner), it is possible that the Client, the General Partner, or the members of the General Partner may be named as defendants. Under most circumstances, the Client will indemnify the General Partner and its members for any costs they incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect the Client in a variety of ways, including by distracting the General Partner and harming relationships between the Client and its portfolio companies or other investors in such portfolio companies.

To the extent set forth in the Governing Documents, Investors may be required to return distributions previously received by them from a Client in order to enable the Client to make indemnification payments to the General Partner, its members or other indemnified persons.

More generally, Investors may be required to return distributions previously received by them from a Client to the extent required by applicable law. Such a return obligation may occur, for example, if the Client makes a distribution at a time when it is technically insolvent or otherwise unable to satisfy the claims of creditors.

Investments in Other Venture Capital/Private Equity Funds. Subject to the limitations set forth in the Governing Documents, the General Partner will be authorized to cause a Client to invest in other venture capital or private equity funds. It is anticipated that each Client will be a purely passive investor in such funds, with little or no right to vote upon or otherwise control the activities of such funds. In addition, the managers of such funds may be entitled to receive management fees, carried interests or other forms of compensation in respect of such funds. There will be no reduction in the management fees payable to, and carried interest of, the General Partner with respect to the portion of the Client's capital that is invested in such funds.

Complex Investment Products and Structures. While many of a Client's investments are expected to consist of simple cash purchases of portfolio company preferred stock, the General Partner will have broad authority to cause the Client to acquire, hold and dispose of more complex investment products and to acquire, hold and dispose of investment products through complex investment structures. Investment products/structures may include, without limitation, debt instruments (bridge, convertible or non-convertible), common stock, warrants, calls, interests in joint venture/syndication holding vehicles, securities that are subject to mandatory redemptions, calls, conversions or similar transactions at the option of issuers or other third parties, interests in fund-type vehicles, depository and similar certificates/interests, notional principal contracts and other derivative interests, and securities that may become traded (if ever) exclusively on non-United States exchanges. Each of these investment products/structures will carry with it unique risks and considerations. Except to the very limited extent set forth in the Governing Documents, Investors will have no right to review or approve any such products/structures and will be entirely dependent upon the business judgment of the General Partner.

Limited Access to Information. The rights of Investors to information regarding a Client and its portfolio companies will be specified, and strictly limited, in the Governing Documents. In particular, it is anticipated that the General Partner will obtain certain types of material information that will not be disclosed to Investors. For example, the General Partner may obtain information regarding portfolio companies (e.g., via members of the General Partner serving as advisors to, or officers/directors of, portfolio companies) that is material to determining the value of securities issued by such portfolio companies. Such information may be withheld from Investors in order to comply with duties to such portfolio companies or otherwise to protect the interests of such portfolio companies or the Client.

Decisions by the General Partner to withhold information may have adverse consequences for Investors in a variety of circumstances. For example: (i) an Investor that seeks to sell its interest in a Client may have difficulty in determining an appropriate price for such interest; (ii) decisions by the General Partner to withhold information may make it difficult for Investors to subject the General Partner to rigorous oversight; and (iii) each communication from the General Partner to one or more Investors must be interpreted in light of the realistic possibility that the General Partner is in possession of undisclosed information relating to the Client or its portfolio companies that could be material to a comprehensive assessment of such communication. Overall, prospective investors should not expect the Client to be operated with the same degree of "transparency" as a publicly traded corporation.

Limited Term. As set forth in the Governing Documents, a Client's "Term" will be limited and may be extended only under certain circumstances. This may place the Client at a disadvantage relative to other investment entities that have a longer-term investment horizon and may cause the General Partner, in managing the Client, to make investment acquisition or disposition decisions that are less advantageous to the ultimate performance of the Client than the decisions the General Partner would have made if the Client's Term were longer. Disadvantages associated with the Client's limited Term include the possibility that the Client may sell portfolio securities during the Client's dissolution and liquidation period at lower prices than could have been obtained if the Client were able to act as a more "patient" investor. Nevertheless, prospective investors must not assume that the Client will complete its liquidation and winding-up within a brief period following the conclusion of the Client's Term. As set forth in the Governing Documents, the Client's liquidation and winding-up period may extend for a very substantial period of time due to contingent liabilities associated with the Client's disposition of portfolio securities, lock-ups or other restrictions on the transfer of portfolio securities, or for other reasons. In particular, it is specifically contemplated that the General Partner will cause a Client to enter into a variety of transactions (e.g., purchases of non-marketable securities subject to transfer restrictions, sales of portfolio securities that create Client contingent obligations for indemnification or purchase price adjustment, and registrations of portfolio securities involving lock-ups) that may not be fully resolved or subject to exit during the Client's Term or a brief period thereafter. Accordingly, prospective investors must be prepared to continue to hold their interests in the Client for an extended period following the conclusion of the Client's Term.

Exculpation and Indemnification. The Governing Documents will contain provisions that relieve the General Partner and its members of liability for certain improper acts or omissions. For example, a General Partner and its members generally will not be liable to the Investors or the Client for acts or omissions that constitute ordinary negligence. Under certain circumstances, a Client may even indemnify the General Partner and its members against liability to third parties resulting from such improper acts or omissions.

Furthermore, it is expected that each General Partner will be structured as a limited liability company and that the members of the General Partner generally will not be personally liable for the General Partner's debts and obligations. In consequence, Investors may have little or no recourse to the personal assets of the members of the General Partner even if the General Partner breaches a duty to the Investors or the Client.

Notwithstanding any applicable provisions of the Governing Documents, Investors may have, or be entitled to, rights, claims, causes of action or remedies that cannot be waived or forfeited under applicable law. In particular, Investors should consult with their own legal counsel before concluding that any particular claims against the General Partner or its members have been waived or forfeited by virtue of the Governing Documents or otherwise.

Industry Specific Terminology. Investors are cautioned that certain terms and phrases of common usage within the venture capital/private equity industry may be misleading to those unfamiliar with such usage. In particular, individuals who participate in the management of a fund often are referred to, in a colloquial sense, as "general partners" even though they are not actually general partners of any partnership. Investors are reminded that the Client will be a limited partnership or limited liability company, that the General Partner of the Client will be a limited liability company, and that the individuals participating in the management of a Client through the General Partner will be members of such limited liability company. It is not intended that the Client will have any general partner other than the General Partner or that any actual general partnership will in any manner be associated with the formation, operation, dissolution or termination of the Client. Prospective investors must not presume or rely upon the existence of any actual legal entities other than the Client and the General Partner. With respect to all matters involving industry specific terminology, prospective investors are urged to consult with their own legal and other advisors.

The foregoing risks do not purport to be a complete explanation of all the risks involved in investing with Friends & Family Capital. Investors should consult their applicable Governing Documents.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to an Investor's or prospective Investor's evaluation of the Firm or its management.

Item 10 – Other Financial Industry Activities and Affiliations

Registration as a Broker-Dealer or Broker-Dealer Representative: Neither Friends & Family Capital nor its management persons are registered as a broker-dealer or broker-dealer representative.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser: Neither Friends & Family Capital nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

Relationships Material to this Advisory Business and Possible Conflicts of Interest: The Fund may co-invest with third parties in one or more specific portfolio companies. Where possible and appropriate, the Fund may, but will be under no obligation to, provide co-investment opportunities generally in the form of SPVs to one or more Investors before making such opportunities available to others. Any allocations among the Fund and an SPV will be made on what Friends & Family Capital deems to be a fair and equitable basis.

A Client will be subject to various potential conflicts of interest. For example, members of the General Partner may receive directors fees or similar compensation from portfolio companies of a Client. While such fees may trigger a "management fee offset" under the Governing Documents (pursuant to which management fees payable to the General Partner by a Client may be reduced as an offset against fees received by the General Partner or its members from portfolio companies), there is no assurance that a Client will economically benefit from any particular portfolio company fees received by the General Partner or its members. Moreover, a management fee offset generally will not apply in respect of fees received by persons who are not members of the General Partner, even if such persons hold titles such as entrepreneur-in-residence, executive-in-residence, operating partner, venture partner or venture advisor.

Under certain circumstances, members or affiliates of the General Partner may make venture capital/private equity investments separate and apart from, or alongside with, a Client. As set forth in the Governing Documents, the General Partner and its members will be permitted to manage other investment funds and similar vehicles (including vehicles that co-invest with the Client) during the Client's term, any of which may compete with the Client for investment opportunities, management time and attention, or otherwise.

Under certain circumstances, a Client may invest in companies in which members of the General Partner have a pre-existing interest or subsequently acquire an interest via different investment funds or other means. Among other considerations, when members of the General Partner hold interests in portfolio companies other than through a Client, those interests may substantially differ from the Client's interests in such companies due to differences in liquidation preference, voting rights or other investment terms. This may result in such members having personal investment interests that directly conflict with the interests of the Client.

Members or affiliates of the General Partner may, in connection with their management of other venture capital/private equity funds or otherwise, enter into (or have entered into) non-competition or similar agreements that effectively preclude a Client from taking advantage of certain investment acquisition or disposition opportunities or otherwise adversely impact the Client.

Conflicts of interest are not limited to General Partner members who are investment professionals. They may extend to all affiliated personnel, including finance, compliance and other back-office staff of the General Partner and its affiliates.

Portfolio companies of a Client may be or come into competition with other companies in which members of the General Partner have an interest via different investment funds or other means. In addition, portfolio companies of a Client may acquire, or be acquired by, portfolio companies of other investment funds directly or indirectly associated with members of the General Partner.

Except to the limited extent specifically provided in the Governing Documents, neither the General Partner nor its members or affiliates will have any obligation to alter their own investment activities or the activities of any other investment fund in order to protect or promote the interests of a Client.

Provisions contained within the Governing Documents that authorize a General Partner or its members to engage in investment, management or other activities outside, or alongside with, a Client, or to cause the Client to make investments (or otherwise approve transactions) in respect of which members of the General Partner have conflicting interests, will override certain common law and statutory fiduciary duties that would apply in the absence of such provisions and (in particular) may place the Investors in a materially less favorable position than if the General Partner and its members engaged in no activities other than managing the Client or were otherwise subject to unmodified fiduciary duties to the Client and the Investors. For example, such provisions may enable the members of the General Partner to direct attractive investment opportunities to persons other than the Client or to place themselves in a conflict situation pursuant to which they are incentivized to exercise voting rights in respect of specific portfolio securities in a manner that harms the Client but benefits other investment funds/persons with which such members are associated. The Governing Documents will contain certain protections for Investors against conflicts of interest faced by the General Partner and its members, but those protections will be strictly limited to their terms and will not purport to address all types of conflicts that may arise. Moreover, as a practical matter, it may be difficult for Investors to subject the behavior of the General Partner and its members to close scrutiny. In particular, the Governing Documents will specify a variety of circumstances in which the General Partner and its members may subject themselves to conflicts of interest, or engage in actual transactions that conflict with the interests of the Client, without providing specific notice thereof to the Client or the Investors.

Except to the limited extent specifically provided in the Governing Documents, prospective investors should assume that a Client will not have a "right" to participate in any investment opportunity made available to its General Partner or its members or affiliates, and that any such opportunity may be presented to other persons. Such other persons may include, without limitation, a subset of the Investors, other investment vehicles managed by members or affiliates of the General Partner, and third parties who are in a position to provide benefits to members or affiliates of the General Partner. A Client's right to participate in investment opportunities will be specifically limited and defined in the Governing Documents, and it is expected and intended that members and affiliates of the General Partner will exercise their rights to carry out investment and investment-related activities outside (and potentially in competition with) the Client. This may include providing other persons with the opportunity to co-invest with a Client on a deal-by-deal or continuing basis.

Without limitation on the foregoing, except as specifically provided in the Governing Documents, the General Partner (or an affiliate of the General Partner) may, from time to time, create successor funds, special purpose investment vehicles, co-investment funds, "spillover" or "excess opportunity" funds, annex funds, and other types of funds/vehicles, any of which may compete with a Client for investment opportunities, co-invest or cross-invest with the Fund, or otherwise give rise to conflicts of interest. The General Partner (or an affiliate of the General Partner) may be or become subject to binding obligations to make co-investment or cross-investment opportunities available to such other funds/vehicles or to a subset of the Investors. Except as specifically provided in the Governing Documents, the General Partner will have no obligation to provide notice to Investors of co-investment or cross-investment opportunities or the fact that co-investments or cross-investments have taken place. An Investor that desires to co-invest or cross-invest with a Client, but has not been granted specific co-investment or cross-investment rights, must assume that no such rights exist.

During a Client's term, many different types of conflicts of interest may arise and this Brochure does not purport to identify all such conflicts.

Risks relating to conflicts of interest are not limited to conflicts affecting the General Partner or its members. The Investors are expected to have widely differing interests on a variety of tax, regulatory, business, investment profile and other issues. Without limitation, some Investors may invest in a Client for strategic reasons unrelated to maximizing their direct financial returns through their interests in the Client. These differing interests may, in turn, give rise to a number of risks that the Investors as a group will not act in a manner consistent with the best interests of the Investors as a group or the best interests of the Client itself. For example, an Investor may decline to provide its consent to a proposed action by a Client or a General Partner due to goals or incentives that are unique to such Investor and in conflict with the interests of the Client or other Investors. Furthermore, conflicts of interest among the Investors likely will make it impracticable for the General Partner to manage the affairs of a Client in a manner that is viewed as optimal by all Investors, and the General

Partner will be under no obligation to do so. In general, prospective investors should assume that the General Partner will not take their unique interests into account when managing a Client's affairs.

In assessing the impact of provisions of the Governing Documents that purport to limit, modify or eliminate certain fiduciary duties of the General Partner or its members, prospective investors are cautioned against assuming that such provisions will apply, under all circumstances, as written. The laws governing partnerships and investment activities are complex and, in certain cases, do not permit investor protections to be overridden by a contract such as the Governing Documents. Thus, under certain circumstances, Investors may have greater rights than would be apparent from a straightforward reading of the Governing Documents. In connection with any such circumstance, prospective investors and Investors are urged to consult with their own legal counsel. The purpose of this paragraph is not to minimize the concerns of prospective investors regarding conflicts of interest, nor is it intended to undermine the cautions and considerations described elsewhere in this Brochure. Rather, this paragraph is intended solely to caution prospective investors against assuming the efficacy of limitations on their rights. It should be noted that the considerations identified in this paragraph are not limited to provisions that purport to limit, modify or eliminate fiduciary duties (and, indeed, under specific circumstances, such considerations may apply to nearly every provision of the Governing Documents).

Selection of Other Advisors or Managers

Friends & Family Capital does not utilize or select other advisors or third-party managers. All assets are managed by Friends & Family Capital.

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

Code of Ethics

Friends & Family Capital 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 Friends & Family Capital (collectively, “Employees”). Friends & Family Capital holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to Clients. In serving its Clients, Friends & Family Capital 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 and the Code’s specific provisions: (a) at all times the interests of Clients must be paramount; (b) personal transactions must be conducted in a manner that is consistent with the Code to avoid 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 certify that he or she has received it and has complied with its provisions on an annual basis. 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.

Friends & Family Capital will provide a copy of its Code of Ethics upon request. Such a request may be made by submitting a written request to Friends & Family Capital at the address on the cover page of this Brochure.

Recommendations Involving Material Financial Interests

Principals and Employees of Friends & Family Capital and its affiliates may directly or indirectly own an interest in private investment funds, including the Fund or SPVs managed by Friends & Family Capital. The fact that Friends & Family Capital, its Employees and other related persons may have a financial ownership interest in the Fund or SPVs creates a potential conflict which could cause the Firm to make different investment decisions than if they did not have a financial ownership interest.

Investing Personal Money in the Same Securities as Clients

Clients primarily invest in the securities of private companies. As noted above, Friends & Family Capital, its Employees and other related persons (including family members and close personal friends) may invest directly in a Client. Further, such parties may also make investments in the types of securities in which a Client invests.

Friends & Family Capital or its related persons may, from time to time, invest alongside Clients in the same portfolio companies. As Investors of the same portfolio companies (and their related products) in which a Client invests, such persons may participate in any capital gains (or losses) along with the Clients.

There may be situations in which an Investor or an affiliate of the Firm has or forms a business relationship with a portfolio company. The Firm will use its best efforts to ensure that all conflicts that arise as a result of such relationship are monitored, disclosed, and mitigated when appropriate.

The Code requires Employees to obtain preapproval of any investments in private offerings to identify and manage potential conflicts with a Client's investments. Friends & Family Capital requires Employees to sign and adhere to the Code and to report personal securities holdings and transactions to its Chief Compliance Officer.

Pursuant to the Fund's Governing Documents, an LPAC will be established with respect to the Fund, consisting of representatives of independent Investors in the Fund. The LPAC generally has or will have the authority to consider and, on behalf of the Fund and its Investors, approve or disapprove (to the extent required by applicable law, the Governing Document or by Friends & Family Capital or its affiliate) related party transactions, certain transactions or arrangements involving actual or potential conflicts of interest, matters requiring client consent under Section 206(3) of the Advisers Act, and any other matters

that the General Partner of the Fund elects to present thereto. Any consent or approval provided by the LPAC on behalf of the Fund in good faith will be binding on the Fund and its Investors. However, the LPAC will not necessarily represent the interests of all the Investors and the members of the LPAC may themselves be subject to various conflicts of interest (including as investors in other entities related to the Firm). In general, the Investors will not be entitled to control the selection of LPAC members or to review the actions or deliberations of the LPAC.

Trading Securities At/ Around the Same Time as Clients' Securities

The Code requires Employees to obtain preapproval of any investments in private offerings to minimize the possibility of conflicts with a Client's investments. Friends & Family Capital 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 securities of the same issuer are being bought or sold.

Item 12 – Brokerage Practices

Factors Used to Select or Recommend Broker-Dealers

Friends & Family Capital invests in the securities of private companies, and generally purchases and sells such companies through privately-negotiated transactions. Friends & Family Capital may distribute securities to Investors or sell such securities by using a broker-dealer, if a public or private trading market exists. Although Friends & Family Capital does not intend to regularly engage in public securities transactions, to the extent it does, it follows the brokerage practices described below.

Friends & Family Capital will always have discretion regarding the placement of brokerage (and accordingly, the commission rates paid). When selecting brokers to effect portfolio transactions, Friends & Family Capital considers factors such as price, quality of execution, expertise in particular markets, the ability of the brokers to affect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services provided by such brokers, and clearing and settlement capabilities, which are subject to principles of best execution at all times, in accordance with Friends & Family Capital's policies and procedures. In selecting broker/dealers to execute transactions, Friends & Family Capital need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Friends & Family Capital believes that the broker-dealers it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders.

Certain brokers utilized by Friends & Family Capital may provide general assistance to Friends & Family Capital, including, but not limited to technical support, and consulting services related to staffing needs. In selecting a broker, Friends & Family Capital may

consider the broker's general assistance and consulting services. To the extent Friends & Family Capital would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

Research and Other Soft Dollar Benefits. Friends & Family Capital currently does not anticipate receiving research or other products and services other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits"). However, in the future, Friends & Family Capital shall have the right if, in good faith, it considers it to be in the best interest of its Clients and is consistent with Friends & Family Capital's obligations to do so, to receive soft dollar benefits from one or more broker-dealers. If, in the future, Friends & Family Capital obtains soft dollar benefits, it will appropriately amend this brochure.

Brokerage for Client Referrals. Friends & Family Capital does not consider, in selecting or recommending broker-dealers, Client referrals from a broker-dealer. Friends & Family Capital may receive referrals in the future and if it does, will appropriately amend this Brochure.

Directed Brokerage. Friends & Family Capital does not accept directed brokerage arrangements. Transactions are executed by brokers selected by Friends & Family Capital, in its discretion, and without the consent of the Clients or Investors. Friends & Family Capital may enter into directed brokerage arrangements only in its discretion.

Aggregating Trading for Multiple Client Accounts

Friends & Family Capital invests in the securities of private companies and generally does not trade in public securities or similar instruments on behalf of Client accounts. The securities of private companies are generally more limited opportunities. In some situations, investment opportunities may be suitable for multiple Clients, but the Firm will allocate only to one or a select group of Clients. Due to the limited availability, including quantity of private equity available, the allocation methodology will be dependent upon various factors including Friends & Family Capital's discretion as investment manager.

In addition, Friends & Family Capital and/or its related persons or Clients, may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in Client accounts are made.

Item 13 – Review of Accounts

Frequency and Nature of Periodic Review and Who Makes Those Reviews

The investments made by Clients are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. Friends & Family Capital closely monitors companies in which a Client invests,

and its policies require reviews no less than annually. However, they are generally performed quarterly to confirm that each Client maintained in accordance with its stated objectives.

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.

Content and Frequency of Regular Reports

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

Item 14 – Client Referrals and Other Compensation

Economic Benefits Provided by Third Parties

Friends & Family Capital does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Clients.

Compensation to Non-Advisory Personnel for Client Referrals

Friends & Family Capital may agree to pay, third-party placement agents that refer investors to the Fund or an SPV. The compensation typically paid to these placement agents includes a portion of the fixed fee and/or incentive allocation earned by Friends & Family Capital in respect of investors referred by such placement agents or where applicable, a fixed fee based on the aggregate capital commitments to the Fund or an SPV. Investors generally are not subject to any incremental fees in connection with the referral unless incremental fees are payable by the investor directly to the placement agent under the terms of a separate arrangement between the investor and the placement agent (to which Friends & Family Capital is not a party).

The referral arrangements described above involve potential conflicts of interest because the placement agent may have an incentive to favor sales of interests in the Fund or an SPV over sales of other investment products for which the agent will receive lower or no fees. Prospective and existing investors should consider this potential conflict of interest when evaluating any recommendation or referral by an agent regarding an investment in the Fund or an SPV.

Item 15 – Custody

A rule under the Advisers Act provides that General Partners of the Fund and the SPVs are considered to have “custody” of a Client’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 need not comply with those requirements if, among other things, Friends & Family Capital provides Investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. Friends & Family Capital has chosen to satisfy those conditions and therefore is not subject to reporting and other obligations.

Item 16 – Investment Discretion

Friends & Family Capital provides investment advice directly to the Fund and SPVs on a discretionary basis in accordance with the investment guidelines set forth in the Governing Documents. Such authority generally permits the Firm to determine, amongst other things, the investments to be bought and sold; the price, timing, and nature of transactions; the brokers or dealers used to execute the transaction; and the custodians where Fund assets are held.

Item 17 – Voting Client Securities

It should be noted that the Firm generally does not trade in individual publicly traded securities. As such, the Firm does not anticipate voting proxies.

To the extent the Firm does vote proxies, the Firm understands and appreciates the importance of proxy voting. Where the Firm has discretion to vote the proxies of the Fund, it will vote any such proxies in the best interests of the Fund and in accordance with set compliance procedures.

Item 18 – Financial Information

Friends & Family Capital 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.

Balance Sheet

Friends & Family Capital does not require or solicit prepayment of more than \$500 in fees per Client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

Financial Condition

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

Bankruptcy Petitions in Previous Years

Friends & Family Capital has never been the subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

Not applicable.