



FORM ADV PART 2A: FIRM BROCHURE

One International Boulevard, Suite 400
Mahwah, NJ 07495
<https://cre.vc/>

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This Brochure provides information about the qualifications and business practices of CRE Venture Capital, Inc. (“CRE”). If you have any questions about the contents of this brochure, please contact CRE Venture Capital Inc.’s Chief Compliance Officer (“CCO”), Joyce LaPreta by email at joyce@cre.vc.

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. Additional information about CRE Venture Capital, Inc. is also available on the SEC’s website at: www.adviserinfo.sec.gov.

CRE Venture Capital, Inc.’s registration as an investment adviser does not imply that any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Item 2 - Material Changes

Since CRE's initial filing of Form ADV Part 2A, dated December 17, 2021, following material changes to this Brochure are:

- **Item 12 Brokerage Practices** – added language regarding Cross and Principal Transactions.

You may request a copy of our current Brochure at any time, which will be provided to you free of charge. If you would like to request a copy of our current Brochure, please contact the Compliance Department at the number listed on the cover page of this Brochure.

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Item 4 - Advisory Business

CRE Venture Capital, Inc., a Delaware corporation (“CRE” or the “Adviser”), was founded in April 2015. Pardon Makumbe is the principal owner of CRE. The Adviser provides investment advice to venture capital funds generally in the technology sector and levered to Africa.

CRE provides discretionary investment management services to affiliated venture capital funds (the “Funds”). CRE’s services to the Funds consist of: (i) investigating, identifying and evaluating investment opportunities; (ii) structuring, negotiating and making investments on behalf of the Funds; (iii) managing and monitoring the performance of such investments; and (iv) exiting such investments on behalf of the Funds. CRE’s services to each Fund are subject to the specific investment objectives and restrictions applicable to such Fund, as set forth in such Fund’s governing documents (collectively, the “Governing Documents”).

Generally, CRE structures its investments by the Funds in the form of direct equity or quasi-equity ownership of portfolio companies, but may also invest in secondary equity and quasi-equity and other instruments or securities of existing portfolio companies. In the context of direct investments, CRE often assumes a role as a member or observer on a portfolio company’s board of directors or advisors, and thereby takes an active role in supporting management teams as they run the portfolio companies.

As of September 30, 2021, CRE had RAUM of approximately \$152,588,076 in discretionary assets attributable to the Funds.

Item 5 - Fees and Compensation

In consideration of CRE’s investment advisory and other services, CRE typically receives a management fee from each of the Funds, which is generally equal to a percentage of the total capital commitments to such Fund. The fee percentage and/or the base upon which the fee is calculated may vary with the size of the Fund and may also vary over the life of a Fund, in some instances, as negotiated and determined at the time the Fund is established and as set forth in its Governing Documents.

Management Fees generally are not negotiable. However, the Adviser (or an affiliate) has discretion to reduce or waive management fees and/or carried interest distributions on a case-by-case basis. Generally, the Adviser may use its discretion to waive the management fee and carried interest distributions for the Adviser’s affiliates.

Management Fees are typically funded with capital contributions drawn for such purpose, but may also be funded based on appreciated value of capital contributions or withheld from proceeds from investments. To the extent one of the Adviser’s Funds invests in another Fund managed by the Adviser, the Adviser waives the management fee at one level to avoid duplication.

CRE and its affiliates generally pay all of their own operating and overhead costs and expenses, including salaries, benefits, and rent. In addition to any management fees payable to CRE, a Fund will incur certain charges imposed by third parties and other expenses related to its operations and investments. Such expenses may include, but are not limited to, transaction costs, legal, accounting, tax, auditing and other costs related to the investments and operations of a Fund. The types of

other costs and expenses incurred may vary from Fund to Fund and are set forth in more complete detail in the Governing Documents for each Fund.

Expenses for vehicles that invest in multiple portfolio companies are typically funded with capital contributions drawn for such purpose, but may also be funded with or withheld from proceeds from investments. Expenses for single purpose vehicles or overflow funds are typically estimated and paid upfront in part upon subscription. As each Fund invest in the securities of private companies on a long-term basis, all fees and expenses are paid during the term of a Fund and investors are generally not permitted to withdraw or redeem.

Item 6 - Performance Fees

CRE or one or more of its affiliates are entitled to receive carried interest distributions with respect to each of the Funds. The carried interest or incentive distribution is effectively equivalent to a percentage of a Fund's net profits, subject to certain terms and conditions set forth in the Governing Documents of a Fund. Any share of a Fund's net profits paid to CRE or its affiliates are separate and distinct from any annual management fees and other fees paid or borne by the Funds. CRE or such affiliate, in its own discretion, may waive or reduce carried interest distributions on a case-by-case basis for specific investors including affiliates.

While the Adviser advises several pooled investment vehicles, there is no current conflict that exists regarding the suitability of any particular investment between any of the vehicles CRE advises.

As a fiduciary, the Adviser recognizes that it must treat all its clients fairly and must refrain from favoring one client's interests (or the Adviser's own interests) ahead of another client(s). Carried interest distributions could motivate the Adviser to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. For example, a carried interest distribution generally entitles the Adviser's affiliates to a percentage of the net profits of a Fund; however, such affiliates are not required to bear the same proportion of the net losses, if any, suffered by the Fund as a whole. The Adviser generally attempts to mitigate conflicts of interest associated with carried interest distributions through: (i) the requirement that invested capital be returned to investors before the Adviser or its affiliates are entitled to receive any carried interest distributions; (ii) the decision to allocate transactions and opportunities among the Funds it manages in a manner it believes to be as equitable as possible, considering each Fund's objectives, risk profile, programs, limitations and capital available for investment, but even accounts with similar objectives may have different investment portfolios; and (iii) to the extent one of the Adviser's Funds invests in another Fund managed by the Adviser, the Adviser waives carried interest at one level to avoid duplication.

Item 7 - Types of Clients

Clients of the Adviser will generally be Funds that meet the exclusion from the definition of an investment company under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940.

Item 8 - Methods of Analysis, Sources of Information, Investment Strategies, Risk of Loss

Methods of Analysis, Sources of Information and Investment Strategy

The Adviser provides investment advice to venture capital funds generally in the technology sector that are levered to Africa. CRE's services to the Funds consist of: (i) investigating, identifying and evaluating investment opportunities; (ii) structuring, negotiating and making investments on behalf

of the Funds; (iii) managing and monitoring the performance of such investments; and (iv) exiting such investments on behalf of the Funds. Generally, CRE structures its investments by the Funds in the form of direct equity or quasi-equity ownership of portfolio companies, but may also invest in secondary equity and quasi-equity and other instruments or securities of existing portfolio companies. In the context of direct investments, CRE often assumes a role as a member or observer on a portfolio company's board of directors or advisors, and thereby takes an active role in supporting management teams as they run the portfolio companies.

The strategies that the Adviser employs entail a significant degree of risk and could result in substantial losses under certain circumstances. Accordingly, an investment in a Fund managed by the Adviser should be undertaken only by investors capable of evaluating and bearing the risks of the investment.

Risk of Loss

The following is a summary of certain material risks associated with CRE's investment strategies. As a summary, it is inherently incomplete and does not attempt to describe all the risks associated with those strategies. More information regarding the risks associated with these investments are available in the offering documents of future funds to be managed by CRE. Investing in securities involves a risk of loss that investors in the Funds should be prepared to bear.

Lack of Diversification

The Funds will be focused on investments in technology companies levered to Africa and may not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently riskier and could cause a Fund's investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus.

Lack of Liquidity

Due to the nature of investments made by the Funds there may not be a readily available liquidity mechanism at any particular time. As such, investors should be aware that there may be limited opportunities for redemption during the term of an investment.

Early-Stage Investments

Early-stage companies typically have no revenues and are not profitable. They require considerable additional capital to develop products and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the products and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing, and service capabilities, and a greater number of qualified managerial and technical personnel. Each portfolio company will be managed by its own officers (who generally will not be affiliated with the Funds or the Adviser). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

Reliance on Portfolio Company Management

The day-to-day operations of each portfolio company will be the responsibility of its own management team. Although the Adviser will monitor the performance of investments and will screen for and, if necessary, recruit capable management, there can be no assurance that such management will be able to operate any such portfolio company in accordance with the Adviser's expectations. In addition, the loss to a portfolio company of a member of its management team could be detrimental to the development of the portfolio company.

Investments in Emerging Markets

Investments in the securities of companies levered to Africa are occasionally located in emerging markets such as Africa, where companies are subject to heightened risks not typically associated with investments in U.S. and other developed securities markets. Investments in securities that are tied economically to emerging markets involve greater risk from economic and political systems that typically are less developed, and may be less stable than those in more advanced countries. These risks include, among others, the expropriation and/or nationalization of assets, confiscatory taxation, currency adjustments, governmental restrictions on international trade, armed conflict, civil war, border disputes, terrorism, natural disasters, infectious disease outbreak, political instability, including authoritarian and/or military involvement in governmental decision making, and social instability as a result of ethnic, religious, socio-economic and/or political unrest. As a result of these risks, investments in securities tied economically to emerging markets tend to be riskier than investments in securities of developed countries. There may be greater risk of investing in companies whose performance is tied to emerging markets.

Dependence on Key Personnel

The success of the Funds depends in substantial part on the skill and expertise of the investment professionals of CRE. There can be no assurance that the investment professionals will continue to be employed by the Firm throughout the life of the Funds. The loss of key personnel could have a material adverse effect on an investment vehicle.

Covid-19 Considerations

The global spread of the coronavirus disease (“COVID-19”) was declared a pandemic by the World Health Organization on March 11, 2020. Since then, COVID-19 has caused volatility, market dislocation and liquidity concerns. While there has been a recent decline in cases in the United States and in many parts of the world, accompanied by the continued administration of vaccines, investments made by CRE may be impacted by the pandemic until conditions stabilize. The recent emergence of the COVID-19 omicron variant further may pose new and unknown risks to investments by the Funds.

THE FOREGOING RISKS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS INVOLVED IN INVESTING IN THE FUNDS. POTENTIAL INVESTORS ARE URGED TO READ THIS ENTIRE DOCUMENT AND THE APPLICABLE GOVERNING DOCUMENTS BEFORE MAKING A DETERMINATION WHETHER TO INVEST IN THE FUNDS.

Item 9 - Disciplinary Information

Neither CRE nor any of its management personnel are subject to or have in the past been subject to any criminal or civil action in any domestic or foreign court, and neither CRE nor any of its management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

Item 10 - Other Financial Industry Activities and Affiliations

Neither the Adviser nor its management persons are registered as a broker-dealer or broker-dealer representative.

Neither the Adviser nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading.

Neither the Adviser nor its management persons currently have relationships or arrangements that

present a material conflict of interest to the Adviser's advisory business, the Funds or its investors.

The Adviser does not recommend or select other investment advisers for any Funds.

Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading

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

Pursuant to SEC Rule 204A-1, the Adviser has adopted and implemented a Code of Ethics and Securities Trading Policy (the "Code"), which sets forth standards of conduct that are expected of the Adviser's supervised persons. The Code includes provisions relating to the use and safeguarding of confidential information; the prevention of insider trading; outside business relationships of the Adviser's employees; gifts and business entertainment; and communications with outside parties, among other things. All supervised persons at the Adviser acknowledge the terms of the Code at hire, as amended with material changes and/or annually. A copy of the Code will be provided to any existing or prospective Fund investor upon request.

Participation/Interest in Client Transactions

Principals, officers and employees of CRE and its related persons and affiliates are, or may be, investors in the Funds. As such, it is possible that CRE could cause a Fund to buy or sell securities in which CRE or one of its related persons has a financial interest. Because CRE may have a nominal ownership interest in the Funds, CRE could have a potential conflict of interest in making such a recommendation. CRE mitigates this conflict by making decisions in the best interests of all of the Funds and investors, irrespective of the interests held by CRE or its affiliates, and in certain instances, may seek conflict clearance from an advisory committee comprised of investors or their representatives.

Personal Trading

Under the Code, execution of trades in certain securities by employees requires the prior written approval of CRE's Chief Compliance Officer ("CCO"). Unless such prior written approval is required under the Code, pre-clearance generally will not be necessary in respect of trades in securities that are not included on a conflict register maintained by the CCO or that are not otherwise prohibited under the Code.

Additionally, employees are required to provide the CCO with quarterly reporting relating to their trading activity and personal accounts, as well as disclosure of their holdings of reportable securities on an annual basis.

Item 12 - Brokerage Practices

Currently CRE does not provide investment advice on publicly traded securities. Should that happen in the future, CRE will select the broker or dealer to be used for the purchase or sale of securities subject to its best execution duty.

Cross and Principal Transactions

A cross trade occurs when an adviser causes one client to sell a security to another client. A principal trade occurs when an adviser causes a security to be sold to, or purchased from a client, from or to the adviser's own account (or an account of a related person). A cross trade involving a fund advised by the adviser and another client can be a principal trade if the adviser and its control persons have a significant ownership interest in the fund.¹

¹ See Gardner Russo & Gardner No-Action Letter:
<https://www.sec.gov/divisions/investment/noaction/gardner060706.htm>.

In certain cases, CRE VC may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Firm might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Firm, their affiliates and/or their Supervised Persons (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Firm and their affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, CRE VC may consult with its limited partner advisory board and will follow the Investment Allocation Requirements of the relevant Funds (e.g., the limited partnership agreements (or analogous organizational documents) of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund).

The Firm will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction, and the Firm will not effect any such transaction for any Fund where the Firm, including Supervised Persons, is deemed to own more than 25% of the Fund, unless such transaction complies with the requirements of the Advisers' principal transactions policy, as described below.

Section 206(3) of the U.S. Investment Advisers Act of 1940, as amended, (the "Advisers Act") regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the Adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the applicable Funds, the Adviser and their affiliates may engage in principal transactions. The Adviser have established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including the disclosures required by Section 206(3) of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. The advisory board may review and approve principal transactions requiring consent under Section 206(3) of the Advisers Act.

Item 13 - Review of Accounts

Review of Accounts

CRE continually monitors the investments of the Funds it advises, including with one of its personnel serving as a member of a portfolio company's board of directors, as applicable. Additionally, a review of a portfolio company may be triggered by any significant or unexpected event.

Client Reports

CRE shall furnish Fund investors with any relevant records upon request. In addition, audited financial statements for the Funds are issued annually.

Item 14 - Client Referrals and Other Compensation

CRE does not receive compensation from third parties for investment advice provided to its clients, nor does the Adviser compensate third parties for client referrals.

Item 15 - Custody

For purposes of Rule 206(4)-2 under the Adviser's Act (the "Custody Rule"), CRE is considered to have custody over the cash and marketable securities held for the Funds, as an affiliate of the Adviser acts as the general partner or managing member, as applicable. Accordingly, as stated above, the Funds are subject to an annual audit.

CRE will ensure that the audited financials are delivered to all Fund investors within 120 days of the Funds' fiscal year end.

Item 16 - Investment Discretion

CRE has been appointed to provide discretionary investment advisory services to the Funds.

Item 17 - Voting Client Securities

While the Adviser generally has proxy voting authority on behalf of the Funds, it generally does not expect to be called upon to vote with respect to securities owned by the Funds. Nevertheless, in the event that the Adviser is called upon to vote proxies, it will vote such proxies in accordance with the proxy voting policies and procedures in the Adviser's compliance manual. Pursuant to SEC rule 206(4)-6, the Adviser has established policies and procedures to address voting procedures and any conflicts of interests involved in a proxy vote between the Adviser and clients. The Adviser's proxy voting procedures are designed to ensure that proxies are voted in a manner that is in the best interest of the clients. Clients may obtain copies of the Adviser's proxy voting policies by contacting the CCO.

Item 18 - Financial Information

CRE does not currently have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Funds it advises or expects to advise, and has not been the subject of a bankruptcy proceeding.