

Valence8 US LP

CRD Number: 317389

March 2022

This Brochure provides information about the qualifications and business practices of Valence8.

If you have any questions about the contents of this Brochure, please contact us at +1 (617) 233-0428 or email at lawrence.small@valence8.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Valence8 also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration of an Investment Adviser does not imply that Valence8 or any of its principals or employees possesses a particular level of skill or training in investment advisory business or any other business.

Valence8 US LP
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Item 2: Material changes

Registered investment advisers are required to identify and discuss any material changes made to their Brochure since the last annual update.

Valence8 US LP's prior Brochure, dated November 2021, was made as part of its initial Form ADV Registration. Since that date, the following material changes have occurred:

- Lawrence Small was appointed Chief Compliance Officer of the Firm on 1 February 2022, replacing Brendan Corcoran in this role (Mr Corcoran remains an executive officer of the firm);
- George Lai joined the Firm as an executive officer on 31 January 2022; and
- Valence8 US LP launched the following Cayman Island domiciled master funds (each with an 'onshore' (Delaware) and 'offshore' (Cayman Island) feeder vehicle):
 - Valence8 Directional (Core) Fund Ltd;
 - Valence8 Diversified (Core) Fund Ltd; and
 - Valence8 PE 2022 (Core) Fund LP.

Further details on the above vehicles are set out in Item 3 of this Brochure.

Going forward, this Brochure will be updated on an annual basis and any material changes to it will be identified in this section.

Item 3: Table of contents

Item 2: Material changes.....	2
Item 3: Table of contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation.....	5
Item 6: Performance-Based Fees and Side-By-Side Management.....	5
Item 7: Types of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9: Disciplinary Information	10
Item 10: Other Financial Industry Activities and Affiliations	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Item 12: Brokerage Practices	11
Item 13: Review of Accounts	11
Item 14: Client Referrals and Other Compensation.....	12
Item 15: Custody	12
Item 16: Investment Discretion.....	12
Item 17: Voting Client Securities.....	13
Item 18: Financial Information	13
Item 19: Requirements for State-Registered Advisers	13

Item 4: Advisory Business

Valence8 US LP ("Valence8" or the "Firm") is an independent investment manager founded by Colin Pan, who is also the principal owner of the Firm. The Firm was established in October 2021.

The Firm is the investment manager to the following privately offered funds:

- **Valence8 Directional (Core) Fund Ltd:** a Cayman Island domiciled Master Fund into which the following Feeder Funds invest their assets:
 - **Valence8 Directional (Onshore) LP:** a Delaware domiciled limited partnership, organised to facilitate investment by US taxable Investors; and
 - **Valence8 Directional (Offshore) Ltd:** a Cayman Island exempted company, organised to facilitate investment by non-US and US tax exempt Investors.
- **Valence8 Diversified (Core) Fund Ltd:** a Cayman Island domiciled Master Fund into which the following Feeder Funds invest their assets:
 - **Valence8 Diversified (Onshore) LP:** a Delaware domiciled limited partnership, organised to facilitate investment by US taxable Investors; and
 - **Valence8 Diversified (Offshore) Ltd:** a Cayman Island exempted company, organised to facilitate investment by non-US and US tax exempt Investors.
- **Valence8 PE 2022 (Core) Fund LP:** a Cayman Island domiciled Master Fund into which the following Feeder Funds invest their assets:
 - **Valence8 PE 2022 (Onshore) Fund LP:** a Delaware domiciled limited partnership, organised to facilitate investment by US taxable Investors; and
 - **Valence8 PE 2022 (Offshore) Fund LP:** a Cayman Island exempted limited partnership, organised to facilitate investment by non-US and US tax exempt Investors.

The above are collectively referred to hereafter as "the Funds". In addition, the Firm expects to take on both discretionary and non-discretionary individual client mandates ("Individual Mandates").

Valence8 implements an investment strategy for both Funds and Individual Mandates (collectively referred to hereafter, where necessary, as "Clients") which focuses on investments in both public and private markets, by way of investments in other portfolio funds as well as co-investments and direct investments. The Firm manages the investment activities of the Funds in accordance with the investment strategies, guidelines and restrictions described in detail in each Fund's offering documents. Individual Mandates will be customized, as agreed in advance with the client, which may include investments in the Funds and other investments, to seek to meet each client's risk and return objectives. Please see Item 8 for further details on the Firm's investment strategy.

As at 1 March 2022, the Firm had under its discretion regulatory assets under management totalling US \$312.7m.

Item 5: Fees and Compensation

Fees paid to Valence8 for investment management services ("management fees") are generally dependent on the nature of the services being provided. Typically, Valence8 charges Clients an annual management fee based on the value of assets under the Firm's management, which is payable monthly or quarterly.

In addition to management fees, Clients bear other costs that are necessary or incidental to the investment management services ("incidental expenses"). The particular incidental expenses may vary from client to client, although all Clients will be subject to certain types of incidental expenses, including costs associated with buying, selling, or holding investments, such as custody fees and charges and expenses associated with transactions such as taxes, duties and commissions, commission equivalents and other brokerage expenses.

The Firm's fees and any incidental expenses will reduce the assets held in, and the return experienced by, Clients.

Funds

Valence8 charges the Funds a management fee and may also receive performance-based compensation from the Funds. Full details of fees and expenses are described in detail in each of the Fund's offering documents.

Individual Mandates

Valence8 may negotiate management fees for Individual Mandates which differ from the management fees of the Funds, with this agreed on a case-by-case basis. Reasons for differing management fee terms may include the value of the assets invested with the Firm, the duration for which the assets are entrusted to Valence8, the terms of performance-based fees agreed to by the investor, and reasons deemed to be strategic in the sole discretion of Valence8.

Individual Mandates are also subject to performance-based fees, the terms of which are negotiated with clients on a case-by-case basis.

The specific manner in which fees are charged is established in a client's written agreement with Valence8. Individual Mandates initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any Individual Mandate, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

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

The Firm is entitled to receive performance-based fees from each of its Clients.

The structure of any performance fee is subject to negotiation and agreement with Clients and documented in the investment management agreement and/or fund documentation.

Performance-based fee arrangements could create conflicts of interest for Valence8 to invest in riskier investments. It is possible that performance-based fees could also create conflicts of interest for the Firm to favour the performance of a Client with a higher performance-based fee

by allocating investment opportunities to them instead of to other Clients with lower performance-based fees. The Firm's compensation might therefore be larger than it would otherwise be.

Valence8 has strict policies in place to ensure that all Clients are treated fairly and equitably, subject to the individual fee terms agreed with the individual client.

Item 7: Types of Clients

Valence8's provides investment management services to Funds and Individual Mandates which are both U.S. and non-U.S. domiciled. Investors who agree Individual Mandates with the Firm, as well as investors in the Funds, generally include ultra-high net worth individuals, family offices, trusts, investment companies, charitable organizations such as family foundations and institutional clients. The Firm does not offer investment management services to retail investors.

As a general matter, Valence8 seeks to work with clients with at least \$200 million available for investment in aggregate within a reasonable period of time from engagement. The Firm reserves the right to waive this minimum in certain circumstances. The minimum investment level for the Funds is described in the offering documents for each fund.

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

Methods of Analysis

Valence8 focuses its research effort primarily on identifying public and private investment opportunities that it considers to be attractive on a standalone basis. Targeted investments are primarily investment funds managed by third-party investment managers, including registered funds and privately offered funds, co-investments and certain direct investments. The Firm constructs portfolios in a manner that it believes will balance risk and return.

The Firm's investment due diligence approach focuses primarily on fundamental factors such as the quality of the investment manager, the assessment of the attractiveness of the industry or asset class, and discussions with other investors and experts. Valence8's research emphasizes a balance of qualitative and quantitative assessment. The Firm also seeks to conduct rigorous peer group analysis of investment firms and funds under consideration.

Investment Strategies

Valence8 offers the following primary investment strategies:

- 1) Private Equity & Venture Capital: Investments in private equity and venture capital strategies. Underlying investments may include limited partnerships and funds, co-investments and direct investments in companies backed by private equity sponsors.
- 2) Directional Opportunities: Investments in long-only or long-biased strategies investing in public markets. Underlying investments may include registered funds, privately offered funds and direct investments in securities and derivatives.

- 3) Diversified Strategies: Investments in strategies with low correlation to traditional markets and other active investment managers. Underlying investments may include registered funds, privately offered funds and direct investments in securities and derivatives.

Individual Mandates can be customized to each mandate's specific objectives using a mix of investments in the Funds and other investments.

Risk of Loss Factors

Clients should understand that all investments are subject to risks and that the return and the principal value of investments fluctuate depending on general market conditions and other factors, so that from time to time the value of an investment may be worth more or less than its original cost. Clients should be prepared to bear the risk of loss if they desire to sell their investment at a time when its value is worth less than the original cost. Further, depending on the types of investments, there may be varying degrees of risk. Clients should be prepared to bear investment loss including the loss of their original principal investment.

Past performance is not indicative of future results. Therefore, Clients should never assume that future performance of any specific investment or investment strategy will be profitable.

Principal risks associated with any investment, as well as specific risks associated with certain strategies or investment objectives are described below. Further detail in relation to the risks associated with investing in the Funds is set out in each fund's offering documents.

The list below does not purport to be an exhaustive list of the risks that may be associated with any particular investment.

Risks of Investments in Securities Generally [All Strategies]

All securities investments risk the loss of capital. No guarantee or representation is made that Clients' investment programme will be successful. The investment programme implemented by the Firm may involve some or all risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in Clients' activities. Certain investment techniques can, in certain circumstances, magnify the impact of adverse market moves to which Clients may be subject. In addition, Clients' investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund may invest its assets.

Methods of minimising such risks on behalf of Clients may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behaviour, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted. Even if the Firm's risk management approaches are fully effective, it cannot anticipate all risks that it may face. To the extent the Firm fails to identify and adequately monitor and manage all of the risks associated with its trading activities, Clients may suffer losses.

Leverage and Financing Risk [Directional Opportunities and Diversified Strategies]

Where agreed in its investment management agreement with Clients, the Firm may leverage Clients' capital because it believes that the use of leverage may enable Clients to achieve a higher rate of return. Accordingly, Clients may pledge their securities in order to borrow additional funds for investment purposes. Clients may also leverage their investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which Clients may have outstanding at any time may be substantial in relation to their capital.

Hedging Transactions [All Strategies]

The Firm, on behalf of Clients, may utilise financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of Clients' investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect Clients' unrealised gains in the value of their investment portfolios; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in Clients' portfolios; (v) hedge the interest rate or currency exchange rate on any of Client's liabilities or assets; (vi) protect against any increase in the price of any securities the Firm anticipates purchasing at a later date on behalf of Clients; or (vii) for any other reason that the Firm deems appropriate. Clients will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally and if the Firm does hedge on behalf of Clients, there is no guarantee that such hedging activities will be successful.

Counterparty Risk [Directional Opportunities and Diversified Strategies]

Some of the markets in which the Firm may effect transactions on behalf of Clients are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing Clients to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Firm has concentrated Client transactions with a single or small group of counterparties. Following the bankruptcy of Lehman Brothers Holdings Inc. on 15 September 2008, there has been significant unwinding of open credit default swap positions and continued market turmoil, which has placed increased strain on the broker-dealer business model, which may create additional counterparty risks for Clients. Unless explicitly states, the Firm, on behalf of Clients, is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, internal credit functions, which evaluate the creditworthiness of its counterparties, may prove insufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of Clients' counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by Clients.

Systemic Risk [Directional Opportunities and Diversified Strategies]

Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearinghouses, banks, securities firms and exchanges, with which Clients interacts on a daily basis.

Competition; Availability of Investments [Directional Opportunities and Diversified Strategies]

Certain markets in which the Firm may invest on behalf of Clients are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that the Firm (or investment managers of underlying funds) will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organised to make such investments, which may result in increased competition to Clients in obtaining suitable investments.

Illiquid Portfolio Instruments [All Strategies]

The Firm may invest part (for Directional Opportunities and Diversified strategies), or all (for Private Equity & Venture Capital strategy) of Clients' assets in investments in illiquid securities, or funds or securities that do not have a readily ascertainable market value or should be held until the resolution of a special event or circumstances. Clients may not be able to readily dispose of such investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

Structure of Investments [Private Equity & Venture Capital strategy]

Investments may be made through intermediate holding companies or other vehicles for regulatory or similar reasons. No assurance is given that any particular structure will be suitable for all Investors and, in certain circumstances, such structures may lead to additional costs or reporting obligations for particular Investors.

The Firm, on behalf of Clients, may co-invest with other funds or entities. Such investment may involve risks in connection with such third party involvement, including without limitation the possibility that a third party co-investor may have financial difficulties resulting in a negative impact on such investment.

Management of portfolio companies [Private Equity & Venture Capital strategy]

Although the Firm will monitor portfolio companies invested in on behalf Clients, each portfolio company will be managed by its own management team. It will therefore primarily be the responsibility of a portfolio company's own officers and management team to operate the portfolio company on a day-to-day basis. There can be no assurance that a portfolio company's management team will operate the company successfully or in accordance with the Firm's plans. Additionally, there can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable management team members. Disagreements between the Firm and the management team of a portfolio company may limit the Firm's ability to bring about operating, strategic or other changes and may limit exit opportunities with respect to that company.

Cybersecurity [All Strategies]

Clients, their service providers, and the underlying funds in which they invest may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other things, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorised release of confidential information and various other forms of cybersecurity breaches. Cyberattacks affecting Clients, their service providers and/or

such underlying funds may adversely impact Clients. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to calculate Net Asset Value, cause the release of private investor information or other confidential information, impede trading, subject Clients, their service providers and/or such underlying funds to regulatory fines and/or financial losses and cause reputational damage. Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for Clients, and may cause Clients' investments to lose value. Clients, their service providers and/or such underlying funds may incur additional costs relating to cybersecurity preparations, and there can be no guarantee that such preparations, though taken in good faith and reasonably designed to safeguard Client's, the Firm's and others' informational systems, would be successful at preventing such attacks. Cyberattacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

Item 9: Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

At present, the Firm does not have other financial industry activities or affiliations.

The Firm maintains a record of any potential conflicts of interest, including external appointments held by all staff, including the management persons listed above. This list is updated when necessary and completeness is confirmed on an annual basis.

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

The Firm has in place a Code of Ethics which sets out the procedures in place governing personal trading. The Code of Ethics is available to clients or prospective clients upon request and includes the following provisions:

- All personal brokerage accounts used by staff and their spouses and dependent children ("related persons") must be notified to the Firm.
- Prior approval may be required before a trade can be executed where a conflict exists.
- Initial and annual self-certification and holdings reports are submitted to the Firm by all staff. These are checked back to the original approvals.

No securities are bought or sold for Clients in which the Firm's related persons have a material financial interest. Such activity is considered to be an alignment of interest between the related persons and the client.

Personal trading rules do not permit related persons to purchase securities for their own accounts at times when the accounts managed on behalf of Clients are actively trading in such securities.

Item 12: Brokerage Practices

General arrangements

The Firm does not pay commissions to receive services, other than execution services, from brokers engaged on behalf of its Clients.

Valence8 always ensures that it owes its Clients a duty of care and loyalty. The Firm is required to execute securities transactions for Clients in a manner such that the net proceeds to the client are the most favourable under the circumstances. It is the Firm's policy to select brokers or counterparties to execute client transactions in a manner that is consistent with the best interests of Clients, rather than any benefit to the Firm, and to employ a trading process that attempts to maximize the value of Clients' portfolios within the pre-agreed investment objectives and constraints.

In selecting a broker, Valence8 will give consideration of the following execution factors, with particular emphasis being given to the price:

- Price
- Speed
- Likelihood of execution and settlement
- Size
- Nature
- Other considerations relevant to the execution of an order

The Firm is not incentivized to select a more expensive broker over another when executing trades.

Trades are allocated on a client by client basis. Where possible trades will be bulked for execution and average pricing ensuring that pricing across clients is as equitable as possible.

Brokerage costs are not paid by the Firm. Clients pay brokerage costs directly to the broker selected. These costs are typically disclosed in the periodic statements produced by the broker and provided to Clients.

Item 13: Review of Accounts

Each Client's account for which Valence8 is the investment manager is subject to periodic, regular review in order to ensure that it remains within the investment guidelines agreed with the client as well as in compliance with statutory and regulatory requirements. The frequency of the review is determined by client requirements, but generally speaking the Funds are reviewed on a monthly basis by the Investment Committee; while Individual Mandates are reviewed on a quarterly basis.

The Funds' administrator also produces monthly capital statements for the Directional and Diversified strategies, while these are produced on a quarterly basis for the Private Equity & Venture Capital strategy.

In addition, all Client's accounts are reviewed on an informal daily basis. Further reviews may also be triggered by a notification of a change in a client's circumstances.

Item 14: Client Referrals and Other Compensation

Valence8 is not remunerated by any party other than its clients. The Firm receives no economic benefit for providing investment advice or other advisory services to its clients whether directly or indirectly.

Item 15: Custody

The assets of the Firm's Clients are held in custody by a qualified independent third-party custodian. The Firm does not act as custodian for any assets that it manages as a separate account manager.

Qualified custodians will typically provide Clients with account statements relating to the assets held within the accounts managed by the Firm. Valence8 urges Clients to carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in their account and all account activity over the relevant period.

As a result of being deemed General Partner to its Funds, in certain jurisdictions Valence8 may be deemed to have custody of the funds and securities owned by the Funds' investors. However, in accordance with each Fund's offering documents, the cash and securities of each Fund is held by an independent qualified custodian in the name of the Fund. The Funds are audited annually and investors receive annual financial statements by the Funds' respective independent auditor.

Item 16: Investment Discretion

Valence8 has discretionary authority to manage the assets on behalf of the Funds; while the Firm has both discretionary and non-discretionary Individual Mandates. Discretion is determined by the investment management agreement between the Firm and the Clients. Clients may request from time to time that the Firm not invest in specific assets or utilize specific investment techniques. Valence8 is able to customise its approach to each individual client.

Where discretion is exercised, Valence8 manages Clients' assets in accordance with the investment strategies, guidelines and restrictions described in the offering documents for the Funds or the Investment Management Agreement for Individual Mandates

Prior to accepting an appointment to act as a discretionary manager for a client, Valence8 conducts a full "know your customer" assessment. This is performed so that the Firm understands each client's investment objectives and is then able to manage the portfolio in a suitable manner.

Item 17: Voting Client Securities

Valence8 generally does not have authority to vote client securities. In cases in which the Firm does have authority, it will seek to vote in the best interest of its Clients. To the extent that Clients delegate authority to the Firm to cast proxy votes, the Firm will vote in accordance with the investment objectives and policy of the Clients' agreed mandate. Clients can direct Valence8's vote attached to securities they own on request. If a conflict of interest exists between the Firm and its Clients with respect to voting their securities, the Firm will always vote in accordance with the best interests of its Client. Information on how we vote Client's securities is available on request. A copy of the Firm's proxy voting policies and procedures are available upon request.

When Valence8 does not have authority to vote Clients' securities, Clients may receive their proxies directly from their custodians or from the Firm depending on the Clients' account in question. Clients can contact the Firm directly with questions about voting proxies using the Firm's general contact information included on the cover page of this brochure.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. The Firm 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 proceeding.

Item 19: Requirements for State-Registered Advisers

This does not apply.