



**Item 1 – COVER PAGE**

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**DATE: March 24, 2023**

*This Brochure provides information about the qualifications and business practices of Tenere Capital, LLC. If you have any questions about the contents of this Brochure, please contact us via email at [jsarrett@tenerecapital.com](mailto:jsarrett@tenerecapital.com) or call us at 303-376-4840. 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. Registration with the SEC does not imply a certain level of skill or training.*

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

## **Item 2 – MATERIAL CHANGES**

Item 2 requires Tenere Capital, LLC to provide a summary of any material changes to the information provided in this Brochure between annual updates of the document. In Tenere’s review, the following material changes were made since its last annual amendment filing on March 31, 2022:

- The Brochure has been updated throughout to include information related to the newly launched, Tenere Liquid Opportunities Fund, L.P.

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## Item 4 – ADVISORY BUSINESS

### Description of the Investment Manager

Tenere Capital, LLC (the “Investment Manager”), a Delaware limited liability company, was founded in November 2020 to provide discretionary investment advisory services to the private investment fund clients identified below. Daniel Benel is a principal owner of the Investment Manager and serves as President (herein referred to as the “Principal”). The Investment Manager and the General Partner (defined below) were established by the Principal and LionTree Partners LLC, a merchant bank, and its Chairman and Chief Executive Officer, Aryeh B. Bourkoff (collectively, “LionTree”). Mr. Bourkoff is also a principal owner of the Investment Manager but is not involved in the provision of advisory services by the Investment Manager to its clients.

The Investment Manager currently advises the “Tenere Crossover Fund”, which operates through a “master-feeder structure” that includes the following entities:

- Tenere Capital Fund (Onshore), LP, a Delaware limited partnership (the “Onshore Feeder”);
- Tenere Capital Fund (Offshore), LP, a Cayman Islands exempted limited partnership (the “Offshore Feeder”); and
- Tenere Capital Master Fund, LP, a Cayman Islands exempted limited partnership (the “MasterFund”).

It should be noted that the Onshore Feeder and the Offshore Feeder invest substantially all of their assets in the Master Fund.

The Investment Manager also advises the Tenere Liquid Opportunities Fund, L.P., a Delaware limited partnership (the “Tenere Liquid Fund”).

The Investment Manager’s private investment fund clients are collectively referred to herein as a “Fund” or the “Funds”, as applicable.

Tenere Capital Fund GP, LLC (the “General Partner”) is an affiliate of the Investment Manager and acts as general partner to certain of the Funds.

The Investment Manager has partnered with LionTree to provide operating infrastructure, access to proprietary private deal flow, and industry-level market insight. This partnership provides business stability, operational support and enhances the scope and quality of the Funds’ investment process. Please see additional disclosure in Item 10 below.

### Types of Advisory Services Offered

The principal investment objective of the Tenere Crossover Fund is to pursue a primarily long-only equity investment strategy that invests in both early-stage growth companies and mid-cap to large-cap equities, across private and public markets. The Tenere Liquid Fund invests on a *pari passu* basis with the publicly traded portfolio of the Tenere Crossover Fund. Subject to the sole discretion of the General Partner, investors typically must be invested in the Tenere Crossover Fund to be eligible to invest in the Tenere Liquid Fund.

The Funds are particularly focused on the Technology, Media and Telecom (“TMT”) markets and

companies that are benefiting from digital transformations. The team expects the portfolio to be concentrated and for core positions to be held for a long duration. **There can be no assurance that the Funds' investment objective will be achieved, and investment results may vary substantially on a monthly, quarterly and annual basis.** The Investment Manager's methods of analysis are further described in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) herein.

As part of its investment program, the Tenere Crossover Fund may pursue opportunities in private investments which may include minority, preferred or other equity or debt investments in private companies (the "Private Investments"). Private Investments will generally be held in "Private Investment Accounts" on the books and records of the respective Funds until realization or partial realization (or deemed realization).

The particular investment objectives, strategies, fees and risks of each Fund are contained in the respective Fund's confidential offering documents (each, a "Memorandum").

#### Availability of Services Tailored to Specific Client Needs

The Investment Manager has broad and flexible investment authority with respect to the Funds and its services are tailored to achieving the investment objectives as stated in each Fund's Memorandum. The Investment Manager does not tailor its services to the individual needs of any investor in the Funds.

The General Partner and/or the Investment Manager, without notice to or consent from existing or prospective Fund investors, has entered into side letters or similar separate agreements with one or more Fund investors that alter the terms and conditions described in the respective Memorandum or other governing document solely with respect to the parties to such side letters or similar separate agreements (including, without limitation, with respect to fees, transfers, withdrawals, transparency, notices and reporting and disclosure).

#### Wrap Fee Programs

The Investment Manager does not participate in wrap fee programs.

#### Client Assets Under Management

As of December 31, 2022, the Investment Manager has approximately \$301,923,000 of regulatory assets under management on a discretionary basis.

Please also see Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss), Item 10 (Other Financial Industry Activities and Affiliations) and Item 14 (Client Referrals and Other Compensation).

## **Item 5 – FEES AND COMPENSATION**

### **Incentive Allocation and Management Fee**

The Investment Manager receives compensation from the Funds in connection with providing discretionary investment advisory services in the form of a management fee (the “Management Fee”) payable to the Investment Manager. The General Partner, an affiliate of the Investment Manager, can also be entitled to an incentive allocation (the “Incentive Allocation”).

#### **Tenere Crossover Fund**

The Master Fund will generally pay a Management Fee of 0.25% (1.0% annualized) of the closing account balances in the quarter to which the Management Fee relates. Management Fees are payable quarterly in arrears. A pro rata portion of the Management Fee will be paid out of any subscriptions made by new or existing investors on any date that does not fall on the first day of a calendar quarter, based on the actual number of days remaining in such partial quarter. If an investor makes a withdrawal at any time other than at the end of a quarter, a pro rata portion of the Management Fee (based on the actual number of days remaining in such partial quarter) will be repaid by the Investment Manager to the Master Fund (which will, in turn, make a payment to the Fund) for the benefit of the withdrawing investor.

The Incentive Allocation charged by the Master Fund at the end of each Performance Period (as defined in the Memorandum), is generally equal to 25% of any outperformance amount with respect to such account held by each investor for such Performance Period. The outperformance amount in general is the amount by which each account outperforms the S&P 500 Index (the “Benchmark Index”), which will be determined as of the last day of each fiscal year. The Incentive Allocation is subject to a loss-carryforward.

The General Partner, in its sole discretion, has waived or reduced, or entered into other arrangements regarding, the Management Fee and the Incentive Allocation for limited partners that are principals, employees or affiliates of the General Partner or the Investment Manager, relatives of such persons, and for certain large or strategic investors. In addition, the Funds and the General Partner have negotiated, waived or reduced fees in connection with certain investments. It should be noted that the Funds have issued an Anchor Series for certain investors and that series is subject to a different fee structure.

#### **Tenere Liquid Fund**

The Fund will generally pay a Management Fee of 0.083% (1.0% annualized) of the closing account balances in the month to which the Management Fee relates. Management Fees are payable monthly in arrears. A pro rata portion of the Management Fee will be paid out of any subscriptions made by new or existing investors on any date that does not fall on the first day of a calendar month, based on the actual number of days remaining in such partial month. If an investor makes a withdrawal at any time other than at the end of a month, a pro rata portion of the Management Fee (based on the actual number of days remaining in such partial month) will be repaid by the Investment Manager to the Fund (which will, in turn, make a payment to the Fund) for the benefit of the withdrawing investor.

As previously noted, unless a waiver is granted by the General Partner, investors typically must be invested in the Tenere Crossover Fund to be permitted to invest in the Tenere Liquid Fund. Further, the General Partner, in its sole discretion, may waive or reduce, or enter into other arrangements regarding, the Management Fee for limited partners that are principals, employees or affiliates of the General Partner or the Investment Manager, relatives of such persons, and for certain large or strategic investors.

## Expenses

In addition to paying Tenere's advisory fees the Funds will each bear their own expenses, including their *pro rata* share of transaction-related expenses (which include all transaction-based expenses incurred in executing investments including brokerage commissions, expenses relating to short sales, clearing and settlement charges, expenses associated with dealer spreads, custodial fees, bank service fees, interest expenses, investment-related software and legal expenses associated with any potential transaction); investment-related travel expenses (which are travel expenses related to the purchase, sale or transmittal of, or due diligence regarding, Fund investments, whether or not such investments are consummated/incurred by the Investment Manager or the General Partner); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts and third party liquidation service specialists) relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the Funds (including, without limitation, third-party software licensing, implementation, data management and recovery services, all costs and expenses associated with Bloomberg terminals and custom development costs); expert networks; research and market data (including any computer hardware and connectivity hardware (*e.g.*, telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); trade-related compliance expenses; proxy voting provider expenses; administrative expenses (including fees and expenses of the administrator); cybersecurity consultant fees and cybersecurity insurance; legal expenses in connection with the Funds' ongoing operations (including the updating of the Funds' offering documents, processing transfer requests, negotiations with prospective investors and extraordinary legal expenses, such as those related to litigation or regulatory investigations or proceedings); external accounting and valuation expenses (including pricing services and valuation related technology); audit and tax compliance, consulting and filing expenses; costs related to errors and omissions insurance and directors and officers insurance for the General Partner and the Investment Manager and their respective affiliates; costs of printing and mailing offering materials, reports and notices; taxes, fees and other governmental charges levied against the Funds; corporate licensing; compliance and regulatory expenses of the Funds (including, without limitation, legal fees, filing fees and costs associated with FATCA compliance and any filings made by the Investment Manager relating to the Funds, including but not limited to Form PF/Annex IV, but, for the avoidance of doubt, not the Form ADV); AML officer fees and expenses; organizational expenses; expenses incurred in connection with the offering and sale of the interests (including, without limitation, legal fees, registration and other filing fees and side letter negotiations) and other similar expenses related to the Funds; indemnification expenses; and extraordinary expenses.

All offering, legal and other organizational expenses incurred in connection with the initial formation of the Funds (including, but not limited to, fees related to the preparation of the initial Fund offering documents, the initial drafting of Fund-related agreements and any structural advice associated with organizing the Funds), will be paid by the Funds or paid by the General Partner and reimbursed by the Funds. The maximum amount of the foregoing expenses borne by each series of interests shall be set forth in the supplement relating to the offering of such series and may vary between each series such that certain series will bear more of the foregoing expenses than other series.

With respect to the Tenere Crossover Fund, any expenses of the Onshore Fund or the Offshore Fund will be paid by the Master Fund and allocated to the Onshore Fund or the Offshore Fund, as applicable. Further, expenses relating specifically to a Private Investment will be borne only by the investors participating in such Private Investment, *pro rata* in accordance with their interests therein. With respect to each Private Investment in which an investor has an interest, a portion of investor's corresponding account may be "earmarked" for certain additional amounts expected to be invested pursuant to a commitment, or otherwise anticipated to be necessary from time to time with respect to such Private Investment (the "Anticipated Investment") and for certain anticipated transaction and other maintenance

expenses solely related to such Private Investment (limited to state fees, regulatory fees, fees due to third parties in connection with such Private Investment (e.g., legal fees estimated to be incurred in connection with a proposed exit of such Private Investment or broker fees to make a distribution in kind), and other similar fees that an investor would reasonably expect to incur in connection with the holding and disposition of a Private Investment) ("Maintenance Expenses"). Any "earmarked" amounts will remain at risk to the Master Fund's investment program and will be subject to Fund expenses and the applicable Management Fee and Incentive Allocation for so long as such investor holds an interest in such Private Investment. Upon a withdrawal from the Fund by an investor, any amounts "earmarked" for Anticipated Investments or Maintenance Expenses may be held back and not withdrawn. For the avoidance of doubt, any such amounts held back will not participate in the performance of the Fund after the applicable withdrawal date.

See Item 12 (Brokerage Practices) for a discussion of the Investment Manager's process for selecting broker-dealers and a description of how the Funds will incur brokerage and other transaction costs and Item 6 (Performance-Based Fees and Side-By-Side Management). Fund expenses are more fully described in the respective Fund's Memorandum.

The Investment Manager will render its services to the Funds at its own expense and will be responsible for its overhead expenses including: office rent; utilities; furniture and fixtures; stationery; secretarial/internal administrative services; salaries and bonuses; entertainment expenses; employee insurance and payroll taxes.

**It is critical that Fund investors and prospective investors refer to the respective Fund's Memorandum and other governing documents for a complete understanding of how the Investment Manager is compensated for its advisory services.**



## **Item 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Investment Manager manages the Funds, which are each subject to asset-based management fees and performance-based fees. See Item 5 (Fees and Compensation) of this Brochure for a detailed description of the Performance Allocation. The Performance Allocation may create an incentive for the Investment Manager to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such an arrangement. As the Investment Manager also provides investment advisory services to other Funds which provide it with varying levels of compensation, there is a potential conflict of interest related to managing accounts that provide the Investment Manager with performance-based fees alongside accounts that charge lower or no performance-based fees. In order to address this potential conflict, the Investment Manager generally makes allocation decisions based upon the best interests of all Funds on a fair and equitable basis consistent with its fiduciary obligations.

The Investment Manager and its Principal, affiliates and personnel will devote such time to the management of the Funds as they deem necessary. However, they are also responsible for advising or providing consulting services to other accounts which include without limitation their own accounts, accounts managed by an affiliate(s) of LionTree, and any additional funds or accounts that the Investment Manager may establish or manage in the future (collectively, “Other Accounts”). Conflicts of interest may arise in allocating investment opportunities, management time, services or other functions amongst the Funds and Other Accounts.

Other Accounts may have investment objectives and positions that are similar to or may conflict with those of the Funds or may compete with or have interests adverse to the Fund. Such conflicts could affect the prices and availability of securities in which the Funds invest. Even if an Other Account has investment objectives similar to those of the Funds, the advice given or action taken with respect to the investments held by the Other Accounts may differ from the advice given or the timing or nature of any action taken with respect to the investments held by the Funds due to a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment and tax treatment. As a result, the Funds and an Other Account may have substantially different portfolios and investment returns. Conflicts of interest may also arise when the Investment Manager makes decisions on behalf of the Funds with respect to matters where the interests of one or more Other Accounts differs from the interests of the Funds. In particular, in certain circumstances, positions taken in Other Accounts may involve conflicts or potential conflicts with the Funds’ positions (*e.g.*, investments in different levels of a company’s capital structure). These positions could adversely affect the performance of investments held by the Funds.

Accounts managed by the Investment Manager in the future may also have higher or lower fees, and different fee structures, than those applicable to the Funds. Different fee structures between client accounts may create a potential conflict of interest in that the Investment Manager has an incentive to allocate investment opportunities to certain accounts over others.

The Investment Manager recognizes that it is a fiduciary and, as such, must act in the best interests of its clients. Further, the Investment Manager recognizes that it must treat all clients fairly and must refrain from favoring one client’s interests over another. The Investment Manager has adopted policies and procedures designed to address conflicts of interest, including procedures regarding the allocation and aggregation of investment opportunities among clients and a Code of Ethics, which includes a standard of business conduct and establishes policies and procedures with regard to outside business activities and personal securities transactions of the Investment Manager’s personnel.

## **Item 7 – TYPES OF CLIENTS**

The Investment Manager provides discretionary investment advice to the Funds as more fully described in Item 4 (Advisory Business). The Funds are the sole clients of the Investment Manager. Fund investors may consist of financial institutions, corporations, funds of hedge funds, endowments, foundations, high net worth individuals, trusts, estates, and pension or profit sharing plans.

In order to invest in the Funds, a prospective investor is required to make certain representations as to suitability and legal requirements of the respective Fund. US based-investors generally must be (i) an “accredited investor”, as defined in Regulation D promulgated under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and (ii) either a “qualified purchaser,” as defined in the U.S. Investment Company Act of 1940, as amended (the “Company Act”), or a “knowledgeable employee,” as defined in Rule 3c-5 promulgated under the Company Act, and must meet other suitability requirements.

Generally, investors are subject to significant subscription minimums as discussed in more detail in each Fund’s governing documents.

## **Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### Methods of Analysis and Investment Strategies

The Funds' strategy is to pursue a primarily long-only equity investment strategy that invests in both early-stage growth companies and mid-cap to large-cap equities, across private and public markets. The Funds are particularly focused on the TMT markets and companies that are benefiting from digital transformations. The team expects the portfolio to be concentrated and for core positions to be held for a long duration.

The Funds' investment approach is based on thematic idea generation and a systematic framework for analyzing companies. Utilizing this approach, the Funds seek to construct a focused portfolio designed to maximize alpha over the long term. In identifying investment themes, the Funds generally look for large, inflecting total addressable markets where changes may be driven by evolving supply/demand dynamics, societal behavior, market conditions, technology, laws/regulations and business models, among other variables.

After identifying positively inflecting themes, the Funds seek to develop a deep understanding of industry structures and company business models, which are fundamental to evaluating the durability of thematic trends. Utilizing an extensive network of industry relationships, the Funds' goal is to identify companies that provide the greatest opportunity to take a differentiated view on fundamentals and valuation upside.

The Funds conduct research with a focus on quality of business models, reputation and accessibility of management teams, alignment of interest with shareholders and capital allocation decisions. The team weighs differentiated thematic views against company-specific analysis, seeking investments with returns on invested capital that are underappreciated by the market.

Selection and sizing of positions is based on the output of the team's bottom-up fundamental analysis and risk-management considerations. The Funds' thematic idea generation, tested against a systematic analytical framework, enables conviction to focus capital on best ideas.

As noted in more detail above in Item 4, the Tenere Crossover Fund may pursue opportunities in Private Investments which may include minority, preferred or other equity or debt investments in private companies.

### Certain Risk Factors

**Investing in securities involves significant risks. The Investment Manager's investment strategy on behalf of the Funds involves a substantial risk of loss of some or all of a Fund Investor's investment. The below contains certain of the material risks involved in the Funds' investment strategies and does not purport to be complete. Fund investors should carefully review the applicable offering documents and consult with their own professional adviser(s) prior to making an investment.**

**Assumption of Business, Terrorism and Catastrophe Risks.** The Funds may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Funds and the investors' investment in the Funds.

**Cyber Security Breaches and Identity Theft.** With the increased use of technologies such as the internet and the dependence on computer systems to perform business and operational functions, the Funds and their service providers may be prone to operational and information security risks resulting from cyber-attacks and/or technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Funds, the Investment Manager, the General Partner or a custodian, or other affiliated or third-party service provider may adversely affect the Funds or the investors. For instance, cyber-attacks may interfere with the processing of transactions, affect the Funds' ability to calculate net asset value, cause the release of private investor information or confidential Fund information, impede trading, cause reputational damage, and subject the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. Cyber-attacks may render records of Fund assets and transactions, ownership of the Interests, and other data integral to the functioning of the Funds inaccessible or inaccurate or incomplete. Each of the Funds may also incur substantial costs for cyber security risk management in order to prevent cyber incidents in the future. The Funds and investors could be negatively impacted as a result. While the Investment Manager has established business continuity plans and systems designed to minimize the risk of cyber-attacks through the use of technology, processes and controls, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified given the evolving nature of this threat. Each of the Funds rely on third-party service providers for many of its day-to-day operations, and will be subject to the risk that the protections and protocols implemented by those service providers will be ineffective to protect the Funds from cyber-attack.

**Epidemics, Pandemics, and Other Health Risks.** As of the date of this Brochure, there is an outbreak of a novel and highly contagious form of coronavirus that causes a disease referred to as "coronavirus disease 2019" ("COVID-19"), which the World Health Organization has declared to constitute a pandemic. The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. The impact of COVID-19 has led to significant volatility and declines in the global public equity markets and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19 or other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on the Funds, the value of its investments and could adversely affect the Funds' ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on the Funds' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact (i) the value of the Funds, (ii) the value and liquidity of its investments, (iii) the Funds' ability to fulfill its investment objectives, or (iv) the Funds' ability to source, manage and divest investments, all of which could result in significant losses to the Funds.

In addition, the operations of the Funds, the General Partner and the Investment Manager may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. There can also be no assurance that other infectious diseases will not arise in the future.

**Lack of Operating History.** The Funds, the General Partner and the Investment Manager are each newly formed entities and have no operating history upon which prospective investors can evaluate their anticipated performance. Daniel Benel has been using strategies similar to the strategies described herein in the past. However, there can be no assurance that the Funds will achieve results comparable to those that the investment professionals, including Daniel Benel, have achieved in the past.

**Dependence on and Association with LionTree.** The Funds are dependent on service providers. In particular, the Funds are particularly dependent upon LionTree as it is providing material infrastructure support to the Funds and working capital to the Investment Manager. Any sort of disruption at LionTree in providing infrastructure support or working capital could have a material adverse effect on the Funds.

Additionally, given the association between LionTree and the Funds and their affiliates it is possible that activities and events at LionTree could indirectly impact and harm Tenere. For example, if LionTree undergoes an adverse regulatory event or reputational damage, this could indirectly harm the Funds and their affiliates given their association with LionTree. There is no way to quantify this harm, and it may be material.

**Private Investments.** Generally only an investor that is an investor at the time a Private Investment is made will have an interest in the Private Investment Account attributable to such Private Investment. Accordingly, because Private Investments may have varying performance, the return on investment among investors may vary significantly depending on (i) when an investor purchases Interests and (ii) whether an investor has reached its concentration limit.

Return of capital and realization of gains, if any, by the Master Fund in respect of any Private Investment, generally will occur only upon the partial or complete disposition of such Private Investment. While any such Private Investment may be sold at any time, it is not generally expected that this will occur for a

number of years after such a Private Investment has been made. Prior to such time, there generally will be no current return on such Private Investment.

**Investment and Trading Risks in General.** Inherent in any investment in securities is the risk of losing the invested capital. The Investment Manager believes that the Master Fund's investment program and the Investment Manager's research techniques moderate this risk through a careful selection of securities and investment opportunities, as well as through the application of the Investment Manager's ongoing qualitative and quantitative risk assessment and management program. However, no guarantee or representation is made that the Funds' investment program will be successful or profitable, and investment results may vary substantially over time. The Funds' investment program will utilize investment techniques such as option and derivative transactions, margin transactions, short sales, and futures and forward contracts, which can, in certain circumstances, exacerbate the adverse impact of any loss or adverse event to which the Funds may be subject.

The Investment Manager will not, in general, attempt to measure or hedge all market or other risks inherent in the Funds' portfolio, and will seek to measure and hedge certain risks, if at all, only partially. Specifically, the Investment Manager may choose not, or may determine that it is economically unattractive, to hedge certain risks, instead relying on diversification in an attempt to mitigate the risks.

**Leverage for Investment Purposes.** The Funds may use leverage in the Investment Manager's discretion. The use of leverage will allow the Funds to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the Funds' portfolio. The effect of the use of leverage by a Fund in a market that moves adversely to its investments could result in substantial losses to the Fund, which would be greater than if the Fund were not leveraged.

**Risks Associated with Venture Capital Investing.** The Master Fund may invest a portion of its assets in less established companies. Investments in early-stage companies may involve greater risks than are generally associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources, and, therefore, are often more vulnerable to financial failure and in many cases will have experienced losses and negative cash flow. Such companies also may have shorter operating histories on which to estimate future performance and to evaluate the skill, judgment, and other relevant abilities of their management teams over varied circumstances. Moreover, early-stage companies generally will be dependent on the skills of a small number of executives and will be vulnerable to rapid changes in technology, fluctuations in demand for their products, competition from larger and more established companies, working capital needs, and other factors. There can be no assurance that an appropriate market will exist for the product of any early-stage company. Even if a company develops reasonable market penetration, there can be no assurance that the company will be profitable or that substantial losses will not occur.

After the Master Fund has financed the initial activities of a venture capital investment, continued development and marketing of products is likely to require that additional financing be provided. No assurance can be made that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained.

Venture capital investments will be in restricted securities that can be sold by the Fund only in "private placement" transactions, upon registration under the Securities Act or, upon the registration of the

companies' securities under the Securities Act, in the public market subject to the restrictions of Rule 144 under the Securities Act. There can be no assurance that the companies will ever be able to effect a successful public offering or create an active public market for their securities. Restricted securities sold in private placement transactions are often sold at a discount from the value of the same or similar unrestricted securities.

**Technology/Media/Telecommunications.** The market for technology is characterized by periodic new product introductions, innovations and evolving industry standards. The emerging nature of these products and services, with their rapid evolution, will require technology companies that are portfolio investments of the Master Fund to continually improve the performance, features and reliability of their products or services, particularly in response to possible competitive offerings. The increasing sophistication of consumers, among other factors, means that there can be no assurance that these companies will be successful in achieving widespread acceptance of their products or services before competitors offer products and services with features and performance similar to those of such technology companies. In addition, the widespread adoption of new technologies or standards could require substantial expenditures by such technology companies to modify or adapt their products or services. Such expenditures could affect the profitability of these technology companies and in turn the operating results and financial condition of the Fund.

The Funds may make investments in communications companies. Communications companies are subject to changes in their businesses due to evolving levels of governmental regulation or deregulation as well as the development of communication technologies. Competitive pressures within the communications industry are intense and the securities of communications companies may be subject to significant price volatility. In addition, because technology and communications industries are subject to significant changes in technology, the companies that the Funds may invest in may face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete. Finally, while all companies may be susceptible to network security breaches, certain technology and communication companies may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

Please also see Item 4 (Advisory Business), Item 10 (Other Financial Industry Activities and Affiliations), Item 11 (Code of Ethics, Participation in Client Transactions and Personal Trading) and Item 12 (Brokerage Practices).

## **Item 9 – DISCIPLINARY INFORMATION**

There are no disciplinary or legal matters that are material to a client's or a prospective client's evaluation of the Investment Manager or the integrity of its management.



## Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As previously noted in Item 4 (Advisory Business), the General Partner is the general partner of the Onshore Feeder, Offshore Feeder, the Master Fund and the Tenere Liquid Fund. The Investment Manager serves as the investment manager to the Funds. The Investment Manager, its principals and employees also invest directly in the Funds. Investments in the Funds made by such parties, generally, are not subject to the Management Fee or Performance Allocation described in Item 5 (Fees and Compensation) above.

As noted elsewhere in this Brochure, the Investment Manager and the General Partner were formed by the Principal in partnership with LionTree, a merchant bank and exempt reporting adviser. LionTree, without limitation: (i) has certain economic and consent rights with respect to the Investment Manager and the General Partner, (ii) is entitled to certain shares of the Management Fee revenue and Incentive Allocation of the Funds, (iii) and has loaned and contributed funds to initially capitalize the business. LionTree also has certain protective rights with respect to the General Partner and the Investment Manager in which they have consent rights over certain actions (*e.g.*, the sale of the Investment Manager). The presence of LionTree in the General Partner, Investment Manager and Fund may present one or more conflicts of interest. For instance, LionTree is under no obligation to refer deal flow to the Funds and accordingly LionTree may allocate investment opportunities away from the Funds which may result in a LionTree affiliate or client participating in an investment suitable for the Funds. Further, in connection with LionTree's protective rights, LionTree may make decisions that are unrelated to the Funds and those decisions may harm the Funds.

LionTree provides support services to the Investment Manager. Although the Investment Manager believes that such engagement is on the same terms as would be negotiated on an arms' length basis, there are potential conflicts of interest that would not exist if the Principal, the Investment Manager and the General Partner did not have a direct relationship with LionTree. In connection therewith, the Investment Manager has adopted policies and procedures to safeguard the Funds against such potential conflicts of interest in order to ensure, among other things, that services provided by LionTree are on an arm's length basis and do not reflect increased fees or expenses to the Funds.

The Investment Manager and LionTree are under common control with other financial industry affiliates in the LionTree family, including a registered investment adviser and registered broker-dealer. However, these affiliated entities are not material to the Investment Manager's provision of advisory services and do not create a material conflict of interest with the Investment Manager's clients.

The Investment Manager and its management persons are not registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

The Investment Manager does not recommend or select other investment advisers for its clients.

Please also see Item 4 (Advisory Business), Item 5 (Fees and Compensation), Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss), Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) and Item 12 (Brokerage Practices).

## **Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### Code of Ethics

The Investment Manager and any principals, officers and employees of the Investment Manager have a fiduciary duty to the Funds. That fiduciary duty requires that the Investment Manager implement and enforce certain standards of conduct that are applicable to all of its supervised persons (“Supervised Persons”) in order to protect the confidentiality of material, nonpublic information held by the Investment Manager and to govern such Supervised Persons’ personal securities trading activities. To that end, and in accordance with Rule 204A-1 under the Investment Advisers Act, the Investment Manager has adopted a code of ethics (the “Code of Ethics”).

Supervised Persons are required to carefully read the Code of Ethics. Upon hire and generally on an annual basis thereafter, each Supervised Person must sign, date, and return a certification indicating they have read, understand and will adhere to the Code of Ethics to the Chief Compliance Officer.

The Code of Ethics requires compliance with all applicable laws and sets forth the Investment Manager’s policies and procedures for Supervised Persons (and their respective personal accounts) on (i) personal investments, (ii) inside information, and (iii) gifts, entertainment, political contributions and outside activities.

All Supervised Persons receive training with respect to the Code of Ethics and the Investment Manager’s compliance manual periodically, including with respect to the prohibitions on trading on material, nonpublic information.

Fund investors or prospective investors may obtain a copy of the Code of Ethics by contacting the Investment Manager at the address or phone number listed on the Cover Page of the Brochure.

Employees found to be in violation of the Investment Manager’s Code of Ethics may be subject to discipline, up to and including termination of employment with the Investment Manager.

### Personal Trading

The purpose of the personal investment policy and related procedures (the “Policy”) is to alert Supervised Persons of their ethical and legal responsibilities with respect to securities transactions involving (i) possible conflicts of interest with Funds, and (ii) the possession and use of material, nonpublic information. It is a violation of the Code of Ethics and the Policy for any Supervised Person to use their knowledge concerning a trade, pending trade or contemplated securities transaction by any Fund to profit personally, directly or indirectly, as a result of such transaction, including by purchasing or selling such securities.

The Code of Ethics also sets forth certain reporting and pre-clearance requirements with respect to personal trading by all Supervised Persons. The Investment Manager’s Supervised Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of hire. In addition, the Investment Managers’ Supervised Persons must provide annual holdings

reports and quarterly transaction reports in accordance with Rule 204A-1 and must seek pre-clearance before engaging in certain transactions in his or her personal account.

#### Participation or Interest in Client Transactions

Among other restrictions on personal trading, the Investment Manager generally does not permit Supervised Persons to execute transactions in single name securities and any options or derivatives thereof. The Investment Manager monitors all Supervised Persons' personal securities transactions through the reporting and pre-clearance requirements described above. However, to the extent such Supervised Persons invest in any of the Funds (including Funds where the Investment Manager and its affiliates represent 25% or more of such Fund), such portfolio holdings will overlap with other Funds.

The Investment Manager and its personnel may have conflicts in allocating their time and services among the Funds. The Investment Manager will devote as much time to each of the Funds as it deems appropriate to perform its duties in accordance with its investment management agreements. In addition, the Investment Manager, its affiliates, partners, members and employees may conduct outside business activities. Pursuant to the Code of Ethics, such activities are subject to disclosure and pre-approval.

The Investment Manager and its related persons have a material financial interest with respect to fees paid by Fund investors. In addition, such related persons invest directly in certain of the Funds. These factors could create an incentive for the Investment Manager to make investment decisions that are different from those that would be made if such parties did not have such interests. The Funds and Fund investors are provided with clear disclosure as to how performance-based compensation is charged and the risks associated with such performance-based compensation prior to making an investment. The Investment Manager also conducts regular monitoring of Fund portfolios, as described in Item 13.

Please also see Item 10 (Other Financial Industry Activities and Affiliations) and Item 12 (Brokerage Practices).

## **Item 12 – BROKERAGE PRACTICES**

### Selection of Brokers

The Investment Manager has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for the Funds will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Investment Manager and/or certain accounts, but not beneficial to all accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash balances and provide other services, the Investment Manager may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: execution and research quality; competitiveness on pricing; the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' financial stability, reputation and reliability; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment and commitment of capital. Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Funds by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Investment Manager nor the Funds separately compensates any broker or dealer for any of these other services.

The Investment Manager maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

### Soft Dollars

From time to time, the Investment Manager may pay broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Fund transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer or with whom trading generates "soft dollars" that may be used to pay for research products and services. The Investment Manager will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and subject to prevailing guidance provided by the SEC regarding Section 28(e). Currently, the Investment Manager does not have any soft dollar arrangements in place.

### Brokerage for Client Referrals and Directed Brokerage

Certain personnel of the Investment Manager may participate in events offered by brokers including the Funds' prime brokers, such as capital introduction events. The Investment Manager does not compensate or otherwise reward broker-dealers for such events or for client referrals. The Investment Manager recognizes that it has an incentive to favor broker-dealers that provide capital introduction services to the Investment Manager or otherwise refer prospective Fund investors. Such events and services may

influence the Investment Manager's decision to use such broker-dealers in connection with the Funds' financing and trading activities, rather than the Funds receiving most favorable execution.

As previously noted, the Investment Manager has full discretion in selecting brokers to effect the Funds' securities transactions. The Investment Manager does not allow investors in the Funds to direct brokerage to a particular broker-dealer.

#### Trade Aggregation and Allocation Policies

The investment Manager seeks to allocate investment opportunities and treat all similarly situated clients fairly and equitably over time to the extent such opportunities are determined to be appropriate. If an order is deemed to be appropriate for more than one Fund, the Investment Manager generally will, but is not obligated to, aggregate the orders to achieve more efficient execution, and/or to provide for equitable treatment among accounts. The resulting transaction(s) will be allocated pro rata among all participating accounts in accord with the relative order sizes of each, or in some other manner that the Investment Manager determines is fair and equitable under the circumstances. Funds participating in aggregated trades will be allocated securities based on the average price achieved for such trades, or by some other fair measure. Aggregating trades may tend to decrease the prices received, and increase the prices required to be paid by a particular Fund for its portfolio sales and purchases, respectively. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the clients in an equitable manner as determined by the Investment Manager in its discretion.

Please also see Item 10 (Other Financial Industry Activities and Affiliations).

## **Item 13 – REVIEW OF ACCOUNTS**

Portfolio management is a dynamic activity that requires ongoing analysis of Fund holdings. The Investment Manager's portfolio management staff will be mindful of each Fund's financial situation and investment objectives when making investment recommendations and will always seek to comply with any Fund-imposed investment restrictions. The Investment Manager's investment personnel are continually evaluating all current and proposed investments. All investments are considered in view of the entire portfolio. Tenere uses Alpha Theory to assist with portfolio optimization which includes taking into account liquidity as well as other market metrics.

Additionally, the Investment Manager primarily relies on asset prices obtained from third-party pricing vendors. Prices are downloaded into the Investment Manager's order management system on a daily basis. Prices are also obtained daily by the Funds' administrator (the "Administrator"). The Investment Manager reconciles its pricing information against the Administrator on a daily basis and reports any material discrepancies to the Chief Financial Officer (the "CFO").

The Investment Manager will provide investors with annual audited financial statements for the Funds (within 120 days after the end of each fiscal year) and in the case of the Onshore Fund and the Tenere Liquid Fund, Schedule K-1 with respect to each investor. In addition, the General Partner and/or the Investment Manager may provide investors with performance and other updates on a periodic basis.

All investors will not necessarily receive all of the same information from the Investment Manager. On the contrary, the Investment Manager will, from time to time, provide additional information relating to the Funds to one or more Investors in connection with a request from a particular investor or as it otherwise deems appropriate. For example, in response to questions and requests in connection with due diligence meetings and other communications, certain current investors or prospective investors may be provided with additional information that is not generally distributed to all investors, including but not limited to portfolio information. In addition, the Investment Manager may afford current investors or prospective investors access to certain investment personnel or provide them with certain information or materials underlying a specific investment decision.

## **Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

The Investment Manager does not currently compensate any third parties in connection with the referral of investors to the Funds or for any client referrals.

## **Item 15 – CUSTODY**

The Investment Manager and the General Partner are deemed to have custody of client funds and securities. The Investment Manager relies on an exemption from Rule 206(4)-2 by maintaining the assets of the Funds with qualified custodians (with the exception of assets that meet the definition of “privately offered securities” pursuant to Rule 206(4)-2(b)(2)) and by having an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board audit the Funds’ financial statements (in accordance with generally accepted accounting principles), which are then provided to the Funds’ investors, on an annual basis within 120 days of the Funds’ fiscal year-end.



## **Item 16 – INVESTMENT DISCRETION**

As noted in Item 4 (Advisory Business) above, the Investment Manager invests the assets of the Funds on a discretionary basis. The Investment Manager has been granted this authority pursuant to an investment management agreement between the Investment Manager and each of the Funds.

The Investment Manager has the authority to determine (i) the securities to be purchased and sold for the Funds, and (ii) the amount of securities to be purchased or sold for the Funds.

The General Partner and/or the Investment Manager has and may in the future enter into agreements or “side letters,” with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the Funds. For example, such terms and conditions may provide for special rights to make future investments in the Funds, other investment vehicles or managed accounts; special withdrawal rights relating to frequency, notice, a waiver or rebate in fees or withdrawal penalties to be paid by the investor and/or other terms; rights to receive reports from the Funds on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Funds and such investor. The modifications are solely at the discretion of the Funds and may, among other things, be based on the size of the investor’s investment in the Funds, with an affiliated investment entity or a managed account, an agreement by an investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an investor to the Funds.

## **Item 17 – VOTING CLIENT SECURITIES**

The Investment Manager has discretionary authority to vote securities held by the Funds, which are the Investment Manager's only clients. Pursuant to Rule 206(4)-6 of the Advisers Act, the Investment Manager has adopted written policies and procedures designed to ensure that proxies are voted in the best interests of the Funds.

In general, the Investment Manager will abstain from voting the proxies it receives. In instances where the Investment Manager decides to vote a proxy, the proxy voting committee (the "Proxy Voting Committee") will determine how to vote in the best interest of its clients. In instances where the Investment Manager intends to vote, the Proxy Voting Committee will consider whether the Investment Manager is subject to any material conflict of interest in connection with each intended proxy vote. If the Investment Manager detects a material conflict of interest in connection with a proxy solicitation, the Proxy Voting Committee will propose the course of action that it believes is in the Funds' best interests. After taking a reasonable amount of time to consider the issue, each of the Proxy Voting Committee members will make a recommendation regarding the proxy vote and will record each member's recommendation, and will then vote the proxy according to the recommendations of a majority of the committee's members.

Investors or prospective investors may obtain a copy of the Investment Manager's proxy voting policies and information on how the Investment Manager voted their securities by contacting the Investment Manager at the address or phone number listed on the Cover Page of this Brochure.

## **Item 18 – FINANCIAL INFORMATION**

The Investment Manager does not require or solicit prepayment of Advisory fees 6 months or more in advance.

The Investment Manager is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

The Investment Manager has not been the subject of a bankruptcy petition at any time during the past 10 years.