

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**SECTION PARTNERS MANAGEMENT, LLC**

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**March 27, 2023**

**This Brochure provides information about the qualifications and business practices of Section Partners Management, LLC (“Section Partners” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Section Partners is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

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

## **Item 2 – Material Changes**

There have been no materials changes to this Brochure since the Adviser's last annual filing on March 31, 2022. Minor changes, including updated statistics on the Firm's assets under management, have been made.

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

Section Partners Management, LLC (“Section Partners” or the “Firm”), a Delaware limited liability company, formed on February 13, 2014. David Crowder and Alisyn Crowder are the principal owners and Mr. Crowder is the Managing Partner of Section Partners.

### B. Types of Advisory Services

The Firm serves as investment adviser to certain private investment funds, which are organized as Delaware limited partnerships or limited liability companies (each a “Fund” and collectively the “Funds”). Affiliates of the Firm serve as the General Partner or Managing Member, as applicable, of the Funds. The Firm may decide in the future to sponsor or manage additional private investment funds.

The Firm is a venture capital firm that provides financing to stock and option holders of high-growth, late-stage, venture-backed companies. Investments are made in accordance with the strategy described in each Fund’s offering memorandum, limited partnership agreement or limited liability company operating agreement (as applicable), and subscription documents (collectively, the “Governing Documents”).

The Funds offer limited partnership or membership interests, as applicable (“Interests”) to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as “Investors”).

### C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve the Funds’ investment objectives. The Firm has the authority to select which and how many portfolio companies invest in without consultation with the Fund or its Investors.

### D. Wrap Fee Programs

The Firm does not participate in wrap fee programs.

### E. Amounts Under Management

As of December 31, 2022, the Firm has \$516,616,983 in regulatory assets under management on a discretionary basis. The Firm does not manage assets on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### **A. Fee Schedule**

The fees and compensation payable to the Firm are negotiable and vary among its Funds. However, the Firm may waive or reduce fees for certain Investors in its discretion. The compensation is generally as follows:

#### **1. Management Fee**

The Firm typically receives a quarterly asset-based management fee calculated as a percentage of each Investor's capital account, payable quarterly in advance. The management fee is generally 1.75% - 2%.

#### **2. Performance-based Fees**

Each Fund's General Partner or Managing Member, as applicable, generally receives a carried interest equal to a percentage of all realized profits, as described more fully in each Fund's Governing Documents. The carried interest amount with respect to any Investor and as of any time shall be 20% of such Investor's initially apportioned profit amount.

Prior to the allocation or distribution of any profits to the General Partner in respect of its carried interest, the Investors in some of the Funds are entitled to an 8% compounded, annualized preferred return of 8%, on their contributions ("Contributed Capital").

With respect to any Affiliates of the General Partner, the carried interest amount shall be between 10% to 15% of such Affiliates profit amount as of such time.

The carried interest will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **3. Fee Comparison**

Fund expenses, including the management fee and any performance-based fees may constitute a higher percentage of average net assets than could be found in other investment programs.

### **B. Payment of Fees**

Management fees, performance-based fees, and third-party fees (discussed below) are deducted from the applicable Funds' assets. Management fees, which are paid in advance, are withdrawn at the beginning of the quarter. Performance-based fees are calculated as of the last business day of the calendar quarter but are only paid when the Funds distribute realized proceeds pursuant to the Fund's Governing Documents.

### **C. Third-Party Fees**

Expenses to be borne by each Fund typically include the following costs and expenses associated with the formation, operation, dissolution, winding-up, or termination of such Fund: (i) all out-of-pocket expenses associated with the organization of the General Partner or Managing Member, as applicable, or the Fund, or the syndication of interests therein (other

than placement agent fees); (ii) legal, accounting, audit and tax, custodial and other professional fees as well as consulting fees relating to services rendered to the Fund that could not reasonably have been rendered by the General Partner or Managing Member, as applicable, or their members; (iii) banking, brokerage, broken-deal, registration, qualification, finders, depositary and similar fees or commissions; (iv) transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of Fund assets; (v) insurance premiums, costs of similar risk management arrangements, indemnifications, costs of litigation and other extraordinary expenses of the Fund; (vi) costs of financial statements and other reports to Investors as well as costs of all governmental returns, reports and other filings; (vii) costs of meetings of the investors and the advisory committee (including the reasonable travel and other out-of-pocket costs incurred by the General Partner or Managing Member, as applicable, and the advisory committee members in attending such meetings); (viii) interest expenses related to bridge borrowing; (ix) the management fee and all costs associated with any liquidating trust; (x) legally required advertising and public notice costs; and (xi) any other expenses incurred on behalf of the Fund not listed in the preceding clauses (i) through (x) that are not customarily considered to be normal operating expenses of the General Partner or Managing Member, as applicable.

**D. Prepayment of Fees**

The Funds invest in private companies on a long-term basis. Accordingly, all fees are paid during the term of the Funds and Investors are generally not permitted to withdraw or redeem Interests in the Funds. Fees paid at the beginning of a fiscal period (such as management fees) will not be refunded or prorated for partial periods.

**E. Outside Compensation for the Sale of Securities**

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

**The foregoing discussion in Items 5 represents the Firm's basic compensation arrangements. The management fees and carried interest described above are structured to comply with Rule 205-3 under the Advisers Act. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although the Firm believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

As discussed in Item 5.A., the Firm generally receives a carried interest equal to a percentage of all realized profits in a particular Fund. Due to the Funds' structure, the Firm allocates investment opportunities to the Fund, and not to individual Investor accounts.

Performance-based compensation can provide a possible incentive for the Firm to make riskier or more speculative investments on behalf of a Fund than it might make otherwise. Notwithstanding this potential incentive, the Firm will evaluate investments in a manner that

it considers to be in the best interest of the Funds, given the Funds' investment objectives, investment strategies, suitability of the investment, and risk profile.

### **Item 7 – Types of Clients**

The Firm provides investment advisory services to pooled investment vehicles which generally operate as exempt investment companies under the Investment Company Act of 1940, as amended.

The Firm intends to restrict the number of Investors in the Funds and will offer Interests only through non-public transactions in order to maintain their exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Prospective Investors in the Funds must meet eligibility criteria and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Fund's Governing Documents, which set forth all of the terms in detail.

Each Investor generally must be an "accredited investor" (as defined in Regulation D under the Securities Act of 1933) and "qualified client" (as defined in Rule 205-3 under the Advisers Act) and must meet other criteria as specified in the Governing Documents. The minimum initial investment varies by Fund but is generally \$25,000-\$50,000 subject to waiver at the discretion of the Firm.

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

#### **A. Methods of Analysis and Investment Strategies**

In general, the Funds invest in high-growth, late-stage, venture-backed technology companies with Principal business offices in North America (United States and Canada) but may invest in unique international opportunities. The Firm seeks companies that it believes will be likely to have a liquidity event in the following 12-36 months, either an IPO and subsequent lockup expiration or a sale of the company in a control transaction for cash or public stock.

Section Partners sources investments through its:

- Database of late-stage, venture-backed companies that meet certain criteria. The Firm selects a subset of these companies as targets for investment based on SP's due diligence.
- Network of founders and executives of venture-backed companies and venture capital investors.
- Relationships with wealth advisors, attorneys, tax and accounting professionals, and other professionals; and
- Word-of-mouth.

Investments include equity, equity-related, and debt securities, including securities convertible into or exercisable or exchangeable for equity securities. The particular strategy varies by Fund. Investors should review the particular Fund's Governing Documents for additional information. Section Partners utilizes the following strategies:

**Financing and Lending:** identifying, originating, sourcing, structuring and monitoring secured private financing transactions with or lending money to persons holding options to acquire or equity in companies which are typically backed by venture capital funds.

**Direct Investing:** making direct equity investments in companies which are typically backed by venture capital funds either by:

- Acquiring securities of such companies in secondary market transactions; or
- Purchasing such securities directly from such companies.

B. Risks of Investments and Strategies Utilized

**Investing in private companies involves risk of loss that Investors should be prepared to bear.**

Investment risk factors may include:

***Risk Inherent in Venture Capital Investments.*** While venture capital investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. The success of venture capital funds, in general, is subject to risks related to: (i) the quality of the management of venture capital funds and of the companies in which such funds invest, (ii) the ability of the funds' managers to select successful investment opportunities, (iii) general economic conditions, and (iv) the fund managers' ability to liquidate the funds' investments. The portfolio companies in which the Firm invests will generally be companies in an early stage of development with little or no operating history, companies operating at a loss or with substantial variation in operating results from period to period or companies with the need for substantial additional capital to support expansion and/or to maintain a competitive position. Such companies may also face intense competition from others including those with greater resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. There can be no assurance that the investments will meet their financial objectives, or that the investments will return capital. A loss of an Investor's entire investment is possible and the timing for profit realization, if any, is highly uncertain.

***Availability of Investment Opportunities.*** Investors in the Funds will be dependent on the ability of the Firm and its affiliates to provide access to high quality investment opportunities. There is no assurance that such opportunities will be available during the period over which an investor's subscription to the Fund(s) will be allocated to investments. In addition, the Firm and its affiliates and Funds will likely be reviewing a potential investment opportunity that could be made in different transaction structures, and such entities may not be able to



dictate the counterparty's preferred structure. There can be no certainty that the Firm will identify a sufficient number of attractive investment opportunities to meet its investment objectives and enable the full amount of capital committed to the Firm to be invested or to achieve targeted returns.

***Technology Risks in Venture Capital Investment.*** Many venture capital investments are made at an early point in a company's life cycle. Such investments can create value inherent in portfolio companies that can be realized only with substantial effort or expense. This endeavor is subject to a number of risks, including but not limited to (1) failure to develop or perfect the technology as planned; (2) obsolescence; (3) patent infringement and similar claims that prevent technology from being used or licenses; and (4) lack of market acceptance of the technology. The dependence upon rapidly changing technologies by such portfolio companies could result in significant losses.

***No Assurance of Profit or Distributions.*** There is no assurance that the investments of the Firm will be profitable or that any distribution will be made to Investors. Any return on investment to Investors will depend upon successful investments being made by the Firm. The value of any such investment will depend upon many factors beyond the control of the Firm. The expenses of the Firm may exceed its income, and the Firm's Investors are at risk of losing the entire amount of their contributed capital.

***Long-Term Investment; No Assurance of Returns.*** Investments in the Funds are long-term commitments, and there is no assurance of any distribution to Investors, prior to or upon liquidation of the Fund. The Firm does not expect to generate cash flow to its Investors in the near-term. The Funds may be unable to realize their investment objectives by sale or other disposition of portfolio investments at attractive prices or may be otherwise unable to complete an exit strategy. Because the Funds may only make a limited number of investments and because the investments generally involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns by the Funds to its Investors.

***No Need for Liquidity.*** The Investor has no need for liquidity in connection with its purchase of the Interest and is able to bear the risk of loss of its entire investment in the Interest.

***No Assurance of Meeting Investment Objectives; Penalty Provisions.*** The Firm's task of identifying investment opportunities and realizing a significant return for investors is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize such investments successfully. As a result, there can be no assurance that the Firm will be successful in achieving its target investment allocations or investment objectives, including diversification objectives (whether by number of investments, geography, sub-asset class, industry, transaction type, or otherwise). The construction of the Fund's portfolio of investments is dependent upon a range of factors including future market conditions and the availability of attractive investment opportunities. It is possible that if the Funds invest in securities of a portfolio company, such investment may require follow-on capital investments and if the Fund fails to invest (due to

the decisions of the Firm, the availability of capital or otherwise), the Fund may lose the value of its investment.

***Illiquidity of Investments.*** There are no assurances that a Fund will be able to liquidate a particular investment at the time and upon the terms it desires because such interests will likely be subject to certain restrictions on transferability, and most of the Funds' investments will be difficult to value independently. Accordingly, portfolio investments may not be advantageously disposed of prior to the date that the Funds are wound-up and dissolved, either by expiration of the Fund's term or otherwise. The Firm generally expects to seek an extension to Fund's term pursuant to the provisions of the Governing Documents if such an extension would be in the best interests of the Fund. Further, the timing of distributions from the portfolio investments, if any, may not occur at a time that is desirable for the Investors. Distributions from the portfolio investments may be in the form of securities.

***Volatility of Returns.*** Historically, venture capital returns have varied greatly over time, depending on the conditions at the time investments were made and when investments were exited.

***Coronavirus and Other Public Health Risks.*** The recent outbreak of the novel coronavirus (COVID-19) in many countries is adversely impacting global commercial activity, and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global demand and supply chains and are adversely impacting a wide range of different industries. While the longer-term scope of the potential impact of the novel coronavirus (COVID-19) on global markets is not yet clear, the coronavirus outbreak and any other outbreak of any infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on economic and market conditions and trigger a period of global economic slowdown. Any such economic impact could adversely affect the performance of the Funds' investments and, as a result, the novel coronavirus (COVID-19) presents material uncertainty and risk with respect the Funds' overall performance and financial results. In addition, the resulting financial and economic market uncertainty may adversely affect the valuations of portfolio investments of predecessor Section Partners funds included in diligence material and the overall performance of such funds, particularly if the coronavirus outbreak continues for a prolonged period.

***Borrower Creditworthiness.*** As part of its loan origination process, the Firm intends to obtain information evidencing a borrower's entitlement to the relevant stock but will obtain only limited information about borrowers. The Firm will take no steps to verify information provided by borrowers, including information concerning income and employment, and this information may be inaccurate or intentionally false. Borrowers may misrepresent their intentions for the use of loan proceeds, and the Firm will not confirm after loan funding how loan proceeds are used. The Firm may obtain borrowers' financial statements, but financial statements may be outdated, inaccurate and may not be a good indicator of future financial

results. The Firm will not verify the information obtained from borrowers' financial statements. Any such inaccuracies in information supplied by borrowers or failure to accurately reflect the borrowers' creditworthiness could have a material and adverse effect on the value of the Firm's investment.

***Focused Investment Strategy.*** The Funds will focus primarily on investments in private, venture-backed companies, and the Funds therefore will not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently riskier and could cause the Funds' investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader focus. In addition, the Funds will participate in a limited number of investments and, as a consequence, the aggregate return of the Funds may be significantly affected by the performance of a single investment. Further, there can be no assurance that the Funds will raise the full amount of committed capital targeted by the Firm for the Fund. To the extent that less capital is raised, the Fund's investment portfolio may be even less diversified than it would otherwise be.

***Risk of Portfolio Company Bankruptcy.*** The Firm may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. There are a number of risks inherent in the bankruptcy process, including, for example, the effects of litigation between the creditors and debtor, the duration of the bankruptcy proceedings and the tangible and intangible costs to the portfolio company. Further, various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of the Funds. There is also a risk that a court may require the Firm to return amounts previously paid to it by a portfolio company that has become insolvent or filed for bankruptcy, a risk that could increase if the Funds have management rights in such portfolio company.

***Dependence on the General Partner.*** Decisions with respect to the Firm's management will be made by the General Partner. Investors in the Funds have no right or power to take part in the management of the Firm. Accordingly, Investors in the Funds will have no opportunity to control the day-to-day operations, including investment and disposition decisions of the Firm. Investors in the Funds may not receive the same detailed financial information issued by the Firm's investments, even if it is made available to the Firm. Accordingly, no person should purchase an Interest in the Funds unless such person is willing to entrust all aspects of the management of the Firm to the General Partner.

***Dependence on Key Persons.*** The success of the Funds will be largely dependent upon the activities of the key persons and the other investment professionals employed by or affiliated with the Firm. The loss of one or more of these individuals could have a significant adverse impact on the business of the Funds. Further, the key person may have fiduciary duties to such potential successor and future funds and accounts, including an obligation to make investment opportunities available to such funds and accounts.

**Reinvestment of Capital.** Subject to certain limitations set forth in the Governing Documents, the Firm may reinvest the net proceeds from investments. To the extent such amounts are reinvested, an Investor will remain exposed to re-investment and other risks associated with such investments, including exposure to potential unfunded tax liabilities with respect to re-investment.

**Distributions in Kind.** The Firm may distribute the proceeds of certain of the Fund's investments in kind. Any such distribution could put downward pressure on the price of the issuer's securities. An Investor in the Funds that receive assets other than cash from the Funds may incur costs and delays in converting those securities into cash. Such securities also may be subject to restrictions on transfer.

**Competition.** The business of identifying, structuring and implementing investments in venture capital transactions is highly competitive. The Firm will be competing for investments against other groups with substantial resources and experience, including institutional investors, investment managers and industrial groups owned by large and well-capitalized investors. It is possible that competition for appropriate investment opportunities may significantly limit the number of opportunities available to the Firm and adversely affect the terms upon which investments can be made. There can be no assurance that the Firm will be successful in its efforts to identify attractive investment opportunities, and it is possible that the Firm's capital commitments will not be fully utilized if sufficient attractive investments are not identified and consummated by the Firm during the investment period.

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

**Consequences of Default.** If an Investor in the Funds fails to pay in full any requested capital contributions, the Firm may take certain actions which may result in the sale of such Investor's interest in the Funds or a forfeiture of a portion of such Investor's interest in the Funds. Additionally, the Firm may pursue any available legal remedies, with the expenses for collection of the unpaid amount, including attorneys' fees, to be paid by such defaulting Investor. The Firm will be granted additional powers to deal with defaulting Investors as described in the Governing Documents.

**No Voluntary Withdrawals.** As a general matter, voluntary withdrawals of investments are not permitted. As a result, Investors in a Fund may not be able to liquidate their investments prior to the end of the Fund's term. A withdrawn Investor may not be entitled to immediate

payment for its interest in the Fund. Any withdrawal of an Investor may reduce the amount of the Fund's capital available for investment or other activities.

***Valuation of Investment.*** Since the underlying assets of the Funds will consist of illiquid investments, it will be difficult to determine the market value of the Funds. The value of an investment in the Fund is expected to fluctuate. Instability in the securities markets in the United States and elsewhere may also increase the risks inherent in the Funds' investments. No assurance can be given that the Funds will return to Investors all or any part of their contributed commitment.

***Financial Market Conditions and Fluctuations.*** Investments will principally be made in securities of private companies without an active trading market. Traditional exit opportunities for venture capital funds have consisted primarily of initial public offerings and acquisitions of portfolio companies by publicly traded companies, often for stock. The ability of the Funds to sell securities and realize investment gains will depend upon favorable market conditions. Initial public offering and merger and acquisition opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In addition, general fluctuations in the market prices of securities may affect the value of the investments held by the Funds. Either the lack of favorable market conditions or a highly volatile market could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved and could reduce the IRR that could be achieved by the Funds compared to the IRRs achieved by investing in securities issued by more established businesses.

***Cybersecurity.*** The Firm's service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Firm and/or the Investors, despite the efforts of the Firm and the service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Firm and the Investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Firm, the Firm's service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Firm's systems to disclose sensitive information in order to gain access to the Firm's data or that of the Investors. A successful penetration or circumvention of the security of the Firm's systems could result in the loss or theft of an Investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Firm and/or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for underlying operating company holdings, which could have material adverse consequences

for such underlying operating companies, and may cause the Funds' investments to lose value.

***Dilution from Subsequent Closings.*** Investors subscribing for Interests in the Funds at subsequent closings will participate in existing investments, diluting the interest of existing Investors in the Funds therein. Although such Investors will contribute their pro rata share of previously made Funds' drawdowns and share in expenses incurred prior to their admission, there can be no assurance that such payment will reflect the fair value of the existing investments at the time such additional Investors subscribe for Interests.

***Failure of Counterparties to Perform Obligations.*** In its ordinary course of business, the Firm relies on various counterparties, which include, but is not limited to, brokers, dealers, banks, custodians, and administrators ("Counterparties"). These Counterparties, with which the Firm does business and on behalf of a Fund, may, from time to time, default on their obligations with or without notice. Such defaults include, but are not limited to, a Counterparty's bankruptcy, insolvency, or other failure. A Counterparty's default on their obligations may impact the Firm's or the Fund's ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at select Counterparties, which may or may not have a current or prior relationship with the Firm or the Fund, should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are recoverable. In the event of a Counterparty's default, the Firm will work diligently to access its capital and take actions it deems appropriate while acting in the best interest of the Fund. However, the Firm's access to capital is subject to a variety of external factors that are outside of the Firm's control, including the timing of default, a government agency's or other organization's actions, including the timing of the Counterparty's closure, ability to liquidate the Counterparty's assets, or to effect the Counterparty's sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty's technology infrastructure operating as intended to facilitate access. Furthermore, the Firm's ability to access capital may have an impact on the Firm's and the Fund's ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

More information about the Funds' investments and the associated risk factors is available in the Governing Documents.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with the Firm. Prospective Investors should read the entire Brochure as well the Governing Documents,**

**Agreement other materials that may be provided by the Firm and consult with their own advisers prior to engaging the Firm's services.**

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

The Firm and its management persons have not been a party to any legal or disciplinary events that would be material to an Investor's or prospective Investor's evaluation of its investment advisory business or the integrity of its management.

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

A. Registration as a Broker-Dealer or Broker-Dealer Representative

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

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

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

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

The Funds may co-invest with third parties in one or more specific portfolio companies. Where possible and appropriate, a Fund may, but will be under no obligation to, provide co-investment opportunities to one or more Investors before making such opportunities available to others. Any allocations among the Funds and co-investment vehicles would be made on what the Firm believes to be a fair and equitable basis.

D. Selection of Other Advisors or Managers

The Firm does not utilize nor select other advisors or third party managers. All assets are managed by the Firm.

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

A. Code of Ethics

The Firm has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act. The Code governs the activities of each member, officer, director and employee of the Firm (collectively, "Employees"). The Firm holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Funds and the Funds' Investors. In serving the Funds, the Firm strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its

Employees and Funds securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of Fund must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

The Firm will provide a copy of its Code of Ethics to investors and prospective investors upon request. Such a request may be made by submitting a written request to the Firm at the address on the cover page to this Brochure.

**B. Recommendations Involving Material Financial Interests**

The Funds primarily invest in the interest of private companies. The Firm, its employees and other related persons (including family members and close personal friends) may invest directly in the same portfolio companies or alongside in a Fund. As Investors of the same portfolio companies (and their related products) in which a Fund invests, such persons may participate in any capital gains (or losses) along with the Funds. Accordingly, there is a potential conflict which could cause the Firm to make different investment decisions than if they did not have a financial ownership interest.

**C. Investing Personal Money in the Same Securities as Clients**

The Firm invests in the securities of private companies. As noted above, the Firm, its Employees and other related persons (including family members and close personal friends) can invest directly in the Funds. Further, such parties can also make investments in the types of securities that the Funds invest in.

The Firm or its related persons can, from time to time, also invest in portfolio companies. As investors of the same portfolio companies (and their related products) in which the Funds invest, such persons can participate in any capital gains (or losses) along with the Funds. Additionally, a third-party co-investor or current or prospective investor may have or could have an ownership interest or otherwise an affiliation with a portfolio company. The investment by the Firm, its related persons, a third-party co-investor, or current or prospective investor in a portfolio company present a conflict of interest between the Firm's economic interest (including using the investment as an incentive for a current or prospective Investor to invest in current or future Funds) and what is in the best interests of the Funds.

The Code requires Employees to obtain preapproval of any investments in private offerings to identify and manage potential conflicts with the Funds' investments. The Firm requires Employees to sign and adhere to the Code and to report personal securities holdings and transactions to the Firm's Chief Compliance Officer.



**D. Trading Securities At/Around the Same Time as Clients' Securities**

As discussed above, from time to time, the Firm, its Employees, or related persons of the Firm may buy or sell securities for themselves that The Firm also recommends to the Funds. The Firm will always document any transactions that could be construed as conflicts of interest and will always transact Fund business before the business of its Employees and/or related persons when similar securities are being bought or sold.

**Item 12 – Brokerage Practices**

**A. Factors Used to Select or Recommending Broker-Dealers**

The Firm primarily invests in private transactions that are not executed on an exchange and typically does not utilize broker-dealers in carrying out client transactions. Nonetheless, the Firm may use business brokers and investment banks in connection with the sale of portfolio companies, usually on a limited basis to remove restrictions from the securities and facilitate liquidity in the open market. The Firm can also occasionally utilize brokers in purchasing securities. Any such purchases or sales will be executed in accordance with the Firm's best execution policy.

**1. Research and Other Soft Dollar Benefits**

Due to the nature of its investment strategies and limited usage of brokers, the Firm does not anticipate receiving research or other products or service other than execution from a broker-dealer or third-party in connection with Funds' securities transactions ("soft dollar benefits").

**2. Brokerage for Client Referrals**

As discussed above and elsewhere in this Brochure, the Firm's engagement of broker-dealers is limited. Therefore, the Firm does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer.

**3. Directed Brokerage**

The Firm does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by the Firm in its discretion and without the consent of the Fund or Fund Investors.

**B. Aggregating Trading for Multiple Client Accounts**

The Firm's Funds have overlapping investment programs including the possibility of an investment opportunity being appropriate for more than one Fund and "follow-on" investments where an existing portfolio company in a Fund could be considered for new investment in another Fund or SPV.

The Firm's general policy is, in the first instance, to consider follow-on investment opportunities in a particular portfolio entity on a priority basis for any Section Fund(s) that have an existing investment in such portfolio entity and pursue the same direct investment

strategy of the Fund. If more than one Section Fund has an existing investment in a portfolio entity, follow-on investment opportunities for that company generally will be allocated in proportion to the aggregate amount invested by each such Fund in the applicable portfolio company, to the extent practicable. Notwithstanding the foregoing, the Firm may allocate such opportunities differently if they determine, in their discretion, that such different allocation is appropriate under the circumstances.

### **Item 13 – Review of Accounts**

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Firm closely monitors companies in which the Funds invest, and its policies require checks no less than annually, but generally quarterly, to confirm that each Fund is maintained in accordance with its stated objectives.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Fund portfolios are reviewed on a continuous basis such that no one factor, or group of factors triggers additional review.

C. Content and Frequency of Regular Reports

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

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

A. Economic Benefits Provided by Third Parties

The Firm does not receive any economic benefit, directly or indirectly from any third party for advice rendered to clients.

B. Compensation to Non-Advisory Personnel for Client Referrals

The Firm, from time to time, enters into arrangements in which persons who are not supervised persons, such as placement agents, assist in the capital-raising efforts of a Fund in exchange for a fee. The fee paid to such persons may be calculated as a percentage of funds raised by such persons, as specifically negotiated between the Firm and each such person. Such fees are the responsibility of the General Partner, are fully disclosed, and comply with Rule 206(4)-3 under the Advisers Act. These types of arrangements are disclosed in the relevant Fund's Governing Documents.

### **Item 15 – Custody**

A rule under the Advisers Act provides that because the Firm and its Affiliates are the general partners of the Funds, they are considered to have “custody” of the Fund’s assets, even though independent custodians actually hold those assets. That rule generally requires investment advisers that have “custody” of Fund assets to cause certain account statements detailing holdings and transactions to be sent to the Funds’ Investors, and imposes certain other obligations. However, advisers to investment funds like the Funds need not comply with those requirements if, among other things, the Funds provide Investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. The Firm satisfies those conditions and therefore is not subject to reporting and other obligations.

In addition, because Funds invest in the securities of private companies, SEC guidance permits the Firm to hold any physical stock certificates they receive in “safekeeping” instead of with a qualified custodian.

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

The Funds’ Governing Documents generally authorize the Firm to invest their assets in a broad range of investments. Investments are selected at the Firm’s sole discretion in accordance with the Funds’ Governing Documents. The Firm may enter into certain type of investment transactions and employ any investment methodology or strategy it deems appropriate.

Pursuant to a Funds’ Governing Documents, each Investor designates the Firm as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out a Funds’ business affairs, including execution of the Governing Documents. An Investor’s execution of a Fund’s subscription agreement constitutes its execution of such Fund’s Governing Documents and the terms and conditions set forth therein.

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

The Firm invests in the securities of private companies and therefore does not vote proxies on behalf of Funds. If in the future the Firm obtains authority to vote proxies, this Brochure will be appropriately amended.

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

The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Funds, and has not been the subject of a bankruptcy petition.

A. Balance Sheet

The Firm does not require nor solicit prepayment of more than \$500 in fees per Fund, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

The Firm has discretionary authority over the Funds' assets. At this time, neither the Firm nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to the Funds.

C. Bankruptcy Petitions in Previous Years

The Firm has not been the subject of a bankruptcy petition in the last ten years.

**Item 19 – Requirements for State-Registered Advisers**

Not applicable.