

Item 1 – Cover Page

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

ALPACA VC INVESTMENT MANAGEMENT LLC

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This brochure ("Brochure") provides information about the qualifications and business practices of Alpaca VC Investment Management LLC ("Alpaca VC," the "Firm," "we," "us" or "our"). If you have any questions about the contents of this Brochure, please contact the Firm at the address or phone number 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.

Alpaca VC 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 Alpaca VC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure was prepared for Alpaca VC's initial registration with the SEC.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

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Item 4 – Advisory Business

A. Description of the Advisory Firm

Alpaca VC, a Delaware limited liability company organized in 2021, is an investment advisory firm headquartered in New York, New York. Ryan Freedman and David Goldberg are the principal owners of the Firm. Alpaca VC is a venture capital firm investing at the intersection of the physical and digital worlds with a focus on property and construction technology, e-commerce, supply chains, logistics, and blockchain infrastructure.

B. Types of Advisory Services

The Firm, together with its affiliated general partners and relying investment advisers as described below, primarily provides discretionary investment advisory services to closed-end pooled investment vehicles and special purpose vehicles (each a "Fund" and, collectively, the "Funds") that are exempt from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and whose securities are not registered under the Securities Act of 1933, as amended (the "Securities Act"). Special purpose vehicles are typically formed to invest only in the securities relating to the particular transaction or strategy for which the vehicle was created. On a more limited basis, Alpaca VC provides non-discretionary advisory services to certain funds managed by third-party investment advisers. Such funds are generally formed for the investment vehicle to invest solely in the securities relating to the particular transaction for which the vehicle was created. The Firm's clients consist of the Funds and the sub-advised funds.

Affiliates of the Firm, Corigin Ventures Investment Management LLC ("Corigin") and Alpaca Direct Invest Manager LLC ("Alpaca DIM"), serve as relying investment advisers to Corigin Ventures Fund II LP and two of the special purpose vehicles. The advisory services of the Firm, Corigin, and Alpaca DIM, as relying investment advisers under common control with Alpaca VC, are described in this Brochure. Corigin and Alpaca DIM are deemed registered under the Advisers Act pursuant to the Firm's registration in accordance with SEC guidance, and the information set forth herein regarding the investment advisory services provided by the Firm shall also apply in respect of Corigin and Alpaca DIM.

Discretionary investment advice is provided directly to the Funds, subject to the discretion and control of the applicable Fund's general partner (a "General Partner"), and not individually to the investors in a Fund. Alpaca VC's advisory services to the Funds are tailored to the Funds in accordance with the investment objectives, strategy, and restrictions as set forth in each Fund's offering memorandum (if available), limited partnership agreement or limited liability company agreement (or other operating agreement, as applicable), and subscription documents (collectively, the "Governing

Documents"). Services are provided to each Fund in accordance with a management agreement between Alpaca VC, the applicable General Partner, and the Fund. The Funds invest primarily in early-stage and late-stage privately held companies. Although investments are predominantly in non-public companies, certain Funds may, from time to time, make investments in public companies. Alpaca VC's advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Funds, managing and monitoring the performance of such investments, and disposing of such investments. Non-discretionary sub-advisory services are provided to certain funds managed by third-party investment advisers.

C. Client Tailored Services and Client Imposed Restrictions

Discretionary advisory services are tailored to achieve each Fund's investment objectives. The Firm has the authority to select which and how much to invest without consultation with the Fund or its investors, subject to any limitations set forth in the Governing Documents.

D. Wrap Fee Programs

Alpaca VC does not participate in wrap fee programs.

E. Amounts Under Management

As of December 31, 2022, our regulatory assets under management were \$180,433,392, of which \$858,580 were non-discretionary.

Item 5 – Fees and Compensation

A. Fees

The fees and compensation payable to Alpaca VC are negotiable and vary among its clients. The specific manner in which fees are charged by the Firm is established in each Fund's Governing Documents and sub-advisory agreements, if applicable, the terms of which may differ from those described below. The Firm may waive or reduce management fees and carried interest allocations for certain investors including, without limitation, our employees and "friends and family" investors (see discussion of side letters in Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading). Compensation is generally as follows:

1. Management Fee

With respect to the Funds, Alpaca VC typically receives an annual management fee based upon the total capital commitments or invested capital of investors who are not affiliated with the applicable General Partners, as described in each Funds' Governing Documents. Management fees are typically paid at the beginning of each fiscal quarter. Certain Funds, as set forth in the applicable Governing Documents, provide for reductions in the management fee over the life of the Fund. Please refer to the Governing Documents of each of the Funds for complete information on the amount and timing of management fee payments.

In addition, management fees may be offset in certain Funds, as set forth in the applicable Governing Documents, by any directors' fees or other compensation paid by a Fund portfolio company to the Firm, the applicable General Partner, the managing members of the applicable General Partner, or certain other employees of the Firm, unless waived by the Fund's advisory committee. Alpaca VC employees may, from time to time, be asked to serve (or continue to serve) as directors of, or advisors with respect to, certain companies in which a Fund has fully exited its ownership interest. Such companies are no longer portfolio companies of such Fund and, as a result, any compensation received by such Alpaca VC employee after a Fund has fully exited its ownership interest is not subject to offset or otherwise shared with the Fund or its investors.

2. Performance-based Fees

Each Funds' General Partner is entitled to receive a performance-based fee, including payment of a "carried interest," as described in the respective Governing Documents. The "carried interest" varies across Funds, as more fully described in the Governing Documents. Alpaca VC is entitled to receive a portion of the carried interest, pursuant to the applicable

Governing Documents, for its non-discretionary advisory services provided to certain funds managed by third-party investment advisers.

3. Fee Comparison

Management fees, carried interest, if any, and fund expenses can constitute a higher percentage of average net assets than could be found in other investment programs.

B. Payment of Fees

Management fees are typically paid in advance of each fiscal quarter. The amount of, and the manner of calculation of, "carried interest" is detailed in each Fund's Governing Documents. The General Partner of certain Funds will, from time to time, waive or reduce "carried interest," as permitted by the relevant Governing Documents.

Payment of fees for services provided pursuant to a sub-advisory agreement are stated in the applicable sub-advisory agreement.

C. Fund Expenses

Each Fund is responsible for its own costs and expenses, as applicable to each Fund and as described in such Fund's Governing Documents. Such expenses include, without limitation, (i) organization and syndication costs; (ii) legal, accounting, auditing, custodial, consulting and other professional fees; (iii) banking, brokerage, finders' fees, depository and similar fees or commissions; (iv) fees, expenses, duties and costs incurred in acquiring, holding, selling, or otherwise disposing of Fund assets, including such expenses incurred for transactions which are not consummated; (v) indemnification obligations; (vi) cost of premiums and fees for liability insurance; (vii) third-party property management services; and (viii) costs of advisory board and Fund meetings. The Firm bears its own operating, general, administrative, and overhead costs and expenses, other than the expenses described above, and in each Fund's Governing Documents.

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment alongside the Fund by investors, may be formed in connection with the consummation of a transaction. Consistent with the applicable Fund's Governing Documents, certain expenses (including those related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle) would be borne by the investors in such co-investment vehicle in the event a co-investment vehicle is created to invest alongside a Fund. In addition, a co-investment vehicle will also generally bear its pro rata portion of expenses incurred in connection with the making of an investment. The Firm and its affiliates have discretion to (i) receive performance-based compensation, management fees, or similar fees for co-investment vehicles, and (ii) collect

customary fees in connection with actual or contemplated investments that are the subject to co-investment arrangements.

It is critical that investors refer to the relevant Fund's Governing Documents for a complete understanding of expenses. The information contained herein is a summary only and is qualified in its entirety by such documents.

D. Allocation of Expenses

The Firm will frequently be required to decide how certain costs and expenses are to be allocated to one or more Funds and/or the other clients of the Firm. Certain expenses may be suitable for only a particular Fund or Funds or another participating client and borne only by such vehicles or, as is more often the case, expenses may be allocated pro rata among each participating Fund and other client in accordance with expense allocation policies and procedures developed by the Firm, as may be amended or revised from time to time by the Firm in its sole discretion. Alpaca VC will make allocation determinations in a fair and reasonable manner using its good faith judgment, taking into account the number of portfolio companies in a Fund, the asset or investment size, the capital commitments of a Fund, or the number of investors in a Fund. However, the Firm may determine in its sole discretion that allocation in a different manner would be fair and equitable in certain cases that may result in one or more Funds bearing a higher share of expenses. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by the Fund from that service in any particular instance. The Firm may make allocation decisions that result in a General Partner or the Firm bearing a smaller portion of expenses and/or receiving greater amounts of management fees than would have been the case had expenses been allocated pro rata.

As a matter of course, Alpaca VC will pay expenses on behalf of the Funds and receive reimbursement from the Funds for such expenses.

E. 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 equity interests in the Funds. Management fees are generally paid quarterly in advance and pro-rated for any partial quarter.

F. Outside Compensation for the Sale of Securities

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

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

As discussed in Item 5.A., the Firm and its affiliated General Partners generally receive a carried interest allocation on certain profits in particular Funds and client accounts, subject to various threshold provisions as described in detail in each Fund's Governing Documents or sub-advisory agreement, as applicable. To the extent that Alpaca VC has clients with varying carried interest terms and/or Alpaca VC personnel receive varying percentages of carried interest from its clients, Alpaca VC and such personnel are subject to potential conflicts of interest generally in allocating time, services, or functions or to the extent that they are involved in identifying investment opportunities or disposing of positions in existing portfolio companies for its clients relative to which they are entitled to receive a higher or lower carried interest percentage. As described in more detail under "Allocation of investment opportunities between the investment funds," Alpaca VC seeks to address the potential for conflicts of interest in these matters with allocation policies and practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each client's investment guidelines and Fund Governing Documents or sub-advisory agreement, as applicable, as well as other factors that do not include the amount of performance-based compensation received by Alpaca VC or any personnel.

Performance-based compensation can provide a possible incentive for the Firm to make riskier or more speculative investments on behalf of a client 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 its clients, given the clients' investment objectives, investment strategies, suitability of the investment, and risk profile.

Item 7 – Types of Clients

Alpaca VC provides investment advisory services to pooled investment vehicles and special purpose vehicles which operate as exempt investment companies under the Investment Company Act. The Firm will offer limited partnership interests, membership interests, or other similar equity interests only through non-public transactions in order to maintain exemptions status under the Investment Company Act and, to the extent necessary for any Fund, restrict the number of investors in such Fund. The Firm also provides advisory services on a non-discretionary basis to certain funds managed by third-party investment advisers.

Prospective investors in the Funds must meet eligibility criteria and are subject to certain withdrawal requirements and limitations. Each investor generally must be an accredited investor (as defined in Regulation D promulgated under the Securities Act), and, if

applicable, a qualified client (as defined in Rule 205-3 under the Advisers Act) and must meet other criteria as specified in the Governing Documents.

Investors in the Funds may include certain qualified individuals, high net worth individuals, public pensions, corporate pension and profit-sharing plans, corporations, municipalities, private investment funds, trust programs, sovereign funds, foreign funds and other U.S. and international institutions. Funds typically have a minimum investment amount. This amount, which may vary from Fund to Fund, may be waived by the Fund's General Partner in its sole discretion.

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

A. Methods of Analysis and Investment Strategies

Alpaca VC provides investment advisory services that are customized to each Fund's investment objectives, time horizon and risk tolerances as set forth in the respective Fund's Governing Documents or sub-advisory agreement.

B. Risks of Investments and Strategies Utilized

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

Investment and trading risk factors may include:

Reliance on the General Partner. The investors will not have a right or power to participate in the management of the Funds. Accordingly, no investor should purchase any interest in a Fund unless it is willing to entrust all aspects of management of such Fund to its respective General Partner. In addition, the investors will not receive detailed financial information issued by portfolio companies in which a Fund invests, which may be available to such Fund.

Competition for investments. The Funds will compete with other entities for the acquisition of investments. Such competition may come from groups such as institutional investors, investment managers, industrial groups, operating companies and merchant banks that have greater resources than the Funds and are owned by large and well-capitalized investors. There may be intense competition for investments of the type in which the Funds intend to invest, and such competition may result in less favorable investment terms than would otherwise be the case. Additional Funds with similar investment objectives may be formed in the future by other unrelated parties. It is possible that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in competitive bidding situations, the outcome of which cannot be guaranteed,

thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. Participation in competitive bidding situations will also increase the pressure on the Funds with respect to pricing of a transaction. Moreover, the Funds may incur bid, due diligence or other costs on investments which may not be successful. As a result, the Funds may not recover all of its costs, which would adversely affect returns. The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. There can, therefore, be no assurance that investments of a Fund will meet all the investment objectives of such Fund, or that such Fund will be able to invest all of its available capital.

Unspecified investments. The capital commitments received from the investors pursuant to each non-special purpose vehicle Fund's respective offering are going into a blind pool for each Fund. While such Funds intend to invest a significant portion of their capital in follow-on financings of privately held portfolio companies, such Funds have not identified the particular investments they will make. Accordingly, an investor in such Fund must rely upon the ability of its General Partner to identify suitable investments consistent with such Fund's investment objectives and policies. An investor will not have the opportunity to individually evaluate the relevant economic, financial and other information that will be utilized by a General Partner in its selection of investments or otherwise approve of such investments. Moreover, the investment guidelines set forth in the Funds' Governing Documents are subject to the good faith interpretation of the general partner and transactions within such objectives may be effected using a broad array of transaction types, structures and techniques. Notwithstanding the foregoing, in limited circumstances, a General Partner may cause its respective Fund to purchase from an affiliated entity securities that were initially acquired ("warehoused") by such affiliated entity prior to the first closing of such Fund in accordance with the Governing Documents.

Issuer and non-issuer transactions. The Funds may acquire its investments through both issuer and non-issuer transactions. In the case of a non-issuer transaction, the Funds will purchase securities from existing shareholders (either directly or by means of a secondary market). In many cases, the price that a Fund must pay to acquire securities in a non-issuer transaction will exceed the price that such Fund would have paid if it were able to have acquired such securities directly from the issuer. Furthermore, in the event of a non-issuer transaction, there is no guarantee that a Fund will accede to the same rights (e.g., information rights, voting rights, right of first refusal, etc.) as the selling shareholder.

Past performance may not be indicative of future results. Past investment performance by investment professionals advising the General Partners and/or the Funds (the "Investment Team"), whether in their individual or collective capacities, provides no assurance of future

results. In addition, if for any reason one or more members of the Investment Team should cease to be involved in the Fund, the performance of the Fund may be harmed.

Forward-looking statements. Statements contained in this Brochure and in other communications that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the General Partners and the Firm. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Moreover, certain information contained in this Brochure constitutes "forward looking" statements, which often can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," "target," "plan" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of the Funds may differ materially from those reflected or contemplated in such forward-looking statements.

No assurance of investment return. A General Partners' task of identifying opportunities in private operating companies, managing such investments 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. There is no assurance that the Funds will be able to invest their capital on attractive terms or generate returns for its investors. There is no assurance that the Funds' investments will be profitable and there is a risk that the Funds' losses and expenses will exceed its income and gains. As such, there is no assurance of any distribution to the investors prior to, or upon, liquidation of a Fund.

Valuation of securities. Different methods of valuing securities may provide materially different results. Actual realized returns on all unrealized investments will depend among other things on the value of the securities at the time of disposition, any related transaction costs and the manner of sale. The Funds' investment programs should be evaluated on the basis that there can be no assurance that their General Partners' assessment of the prospects of investments will prove accurate or that the Funds will achieve their investment objectives. Accordingly, the actual realized return on all unrealized investments may differ materially from the values presented to the investors. In addition, given the complexities involved in valuing Digital Assets (as defined in "Digital Asset investments" below) and the difficulty in confirming ownership of such assets, direct or indirect investments in Digital Assets by a Fund could result in delays in the issuance of financial opinions by such Fund's auditors or the qualification, in whole or in part, of such opinions. Furthermore, a General Partner may not be able to find an audit firm to present an unqualified audit of the

applicable Fund's assets, in which case the investors may need to rely on unaudited financials.

Long-term & illiquid investment within a Fund. An investment in a Fund is a long-term commitment. Interests in the Funds are highly illiquid and have no public market value. No secondary market for the interests exists, and no such market will be established or supported by the General Partners. Furthermore, the sale or transfer of interests in the Funds is subject to approval of their relevant General Partner and other restrictions contained in the Governing Documents. Consequently, investors may not be able to liquidate an investment in the event of an emergency or for any other reason. An investment in the Funds is suitable only for persons and entities that have no need for liquidity with respect to their investments and can withstand a total loss of capital. The interests in the Funds have not been registered under the Securities Act of 1933, and no such registration is contemplated.

Capital calls. Capital calls will be issued by the General Partners from time to time at the discretion of the General Partners, based upon a General Partner's assessment of the needs and opportunities of its respective Fund. To satisfy such capital calls, investors may need to maintain a substantial portion of their commitment in assets that can be readily converted to cash. Except as may be specifically set forth in the Governing Documents, each investor's obligation to satisfy capital calls will be unconditional. An investor's obligation to satisfy capital calls will not, in any manner, be contingent upon the performance or prospects of the respective Fund or upon any assessment thereof provided by such Fund's General Partner. Notwithstanding the foregoing, the General Partners will not be obligated to call 100% of the investor's commitment during the respective Fund's term.

Distributions in-kind. It is possible that not all portfolio investments will be realized by the end of a Fund's term. Although a Fund's General Partner expects that investments will be disposed of prior to dissolution, or be suitable for in-kind distribution at dissolution, such Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In such cases, in the respective General Partner's sole and absolute discretion, there may be in kind distributions by a Fund to its partners of illiquid securities or instruments, whereas during the term of such Fund, the Fund may make in-kind distributions of marketable securities. There can be no assurance that investors will be able to dispose of such securities or instruments or that the fair market value of such securities or instruments determined by a Fund for purposes of the determination of distributions and the calculation of the relevant General Partner's carried interest ultimately will be realized. In addition, if an investor receives distributions in-kind of any

portfolio investment from a Fund, it may incur additional costs and risks in connection with the disposition of such assets. Any such distribution could put downward pressure on the price of the issuer's securities.

Economic conditions. Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect a Fund's investments and prospects materially and adversely. None of these conditions is within a General Partner's control, and it may not be able to effectively anticipate these developments. These factors may affect the volatility and the liquidity of a Fund's investments. Unexpected volatility or illiquidity could impair a Fund's profitability or result in losses.

Diverse investor group. The investors may have conflicting investment, legal, tax, business and other interests with respect to their investments in a Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by a General Partner, including with respect to the nature or structuring of investments or distributions that may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the relevant General Partner will consider the investment and tax objectives of such Fund and the Fund's partners as a whole, and not the investment, legal, tax, business or other objectives of any investor individually.

Consequences of default. If an investor fails to pay in full any requested capital contributions to a Fund, the relevant General Partner may take certain actions that may result in a sale of such investor's interest in such Fund or a forfeiture of all or a portion of such investor's interest in the Fund. Additionally, a General Partner may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by such defaulting investor. The General Partners are granted additional powers to deal with defaulting investors in the Governing Documents. If an investor fails to pay any portion of its capital commitment when due, and the capital contributions and unused capital commitments of non-defaulting investors are inadequate to cover the defaulted capital contribution, a Fund may be unable to pay its obligations when due. As a result, such Fund may be subjected to significant penalties that could materially adversely affect the returns to the investors (including non-defaulting investors). In addition, the non-defaulting investors may be required to increase their

contributions to the investment resulting in the defaulted capital contribution and in respect of subsequent Fund investments which, in turn, will reduce the degree of diversification of such investors' investment in the Funds and increase such investors' risk of loss.

Conflicts. The Funds and their investors will be subject to certain potential or actual conflicts of interest arising out of the Funds' relationships with their General Partner, their members and their respective affiliates, on the one hand, and the investors, on the other hand. The agreements and arrangements among the Funds, their General Partners, their members and their respective affiliates, which may provide management services to the Funds, have been established by the General Partners and are not the result of arm's-length negotiations. The Firm and its affiliates are currently subject to certain contractual, fiduciary or other obligations regarding the Funds to include their continuing to provide services to each of the Funds and/or their portfolio companies. The General Partners do not anticipate having any persons other than the General Partners, the Firm, their direct and indirect members and affiliates and their respective employees and consultants provide advisory and investment services to the Funds. These people and entities perform or may perform similar services for other investment funds and may serve as officers or directors of other entities. Thus, they will not be able to devote all of their time to the Funds, and the Funds generally will receive no benefit from the services such persons provide to others. While the General Partners believe that it will generally be able to resolve any conflicts on an equitable basis, it is possible that such conflicts will not be resolved in favor of all Funds, even where disinterested parties are consulted to review such conflicts.

Certain Consultants. The Firm expects to retain, on behalf of itself, a Fund, and/or the portfolio companies, as applicable, operating partners, and other consultants ("Advisors"), who may be affiliates of either the Firm or portfolio companies of Funds, third party consultants (including individual consultants and external executives), "board partners," "strategic partners," "executive partners" or "senior advisors." The Advisors may regularly provide services to (i) the Firm or a Fund in relation to the identification, acquisition, holding, improvement, and disposition of portfolio companies, and (ii) portfolio companies of the Funds, including operational aspects of such companies (collectively, the "Services").

Pursuant to the applicable Governing Documents, fees and expenses associated with the Services (collectively, the "Consulting Fees and Expenses"), may be paid and/or reimbursed by applicable portfolio companies and/or the Firm, and Consulting Fees and Expenses do not offset the management fee unless otherwise provided in the Governing Documents. Consulting Fees and Expenses are expected to include cash fees, profits or equity interests

in a portfolio company, a share of proceeds upon sale of a portfolio company, and/or other incentive-based compensation to the Advisor, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Advisor, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services, and/or a percentage of cash flows from such company. Additionally, portfolio companies may provide opportunities for Advisors to invest in such portfolio company and reimburse costs and expenses incurred by Advisors. Such investment opportunities, reimbursements, and other compensation paid to an Advisor will not offset the management fee. Advisors may have a limited partnership or profit interest in a Fund, a General Partner, or in an affiliate of the General Partner. Although the Firm intends to retain Advisors with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings or performance improvement from such retention. In addition, the General Partner intends to retain only such Advisors which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In addition, various potential and actual conflicts of interest may arise as a result of an Advisor's other activities. Each Advisor's time and attention will not be devoted exclusively to the Firm and will be allocated between the Firm and the Advisor's other activities. Such other activities may be investment advisory in nature, including, but not limited to, serving as an advisor to or affiliate of other investment advisory firms ("Third-Party Investment Advisors") or becoming an investor in funds managed by other investment advisory firms ("Third-Party Funds"). The Third-Party Funds may follow a substantially similar investment strategy to that of a Fund. Furthermore, the Advisor may be eligible to receive a portion of the carried interest from the Third-Party Fund in exchange for the Advisor's services to the Third-Party Investment Advisor. The presence of carried interest creates an incentive for the Advisor to direct the best investment ideas to, or to allocate an investment opportunity in favor of, a Third-Party Investment Advisor or Third-Party Fund that may have more favorable compensation arrangements than the one provided to the Advisor for his or her role as an Advisor for Alpaca VC. Alpaca VC seeks to mitigate this conflict by requiring Advisors to disclose the presence of any such arrangements and other conflicts of interest as they arise to Alpaca VC for consideration; however, there can be no assurances that Alpaca VC will be able to mitigate this conflict entirely.

Advisor roles or equity interest. A Fund may invest in a company in which an Advisor or another individual with a similar role at Alpaca VC either serves as an employee, officer, advisor, or in some other capacity or has an equity interest in. In making the investment, the General Partner may consult with the Advisor or other individual with a similar role as part of our diligence and analysis of the investment opportunity. It is expected that the Advisor or other individual with a similar role will have a conflict of interest when consulted by the General Partner. While the General Partner believes that it will generally be able to take this conflict into account when reviewing the investment opportunity, it is possible that the General Partner cannot do so. Furthermore, an Advisor or other individual with a similar role may serve as an advisor or director of a Fund's portfolio company at the request of the applicable General Partner. The Advisor or other individual with a similar role may receive cash or equity consideration from the portfolio company for his or her service. The receipt of this consideration by the Advisor or other individual with a similar role will give rise to a conflict of interest that will not be resolved in favor of the applicable Fund.

Service providers. The service providers or their affiliates (including any administrators, lenders, brokers, attorneys, consultants and investment banking firms) of the Funds, the General Partners, the Firm or any of their affiliates may be investors in the Funds and / or sources of investment opportunities and co-investors or counterparties therein. This may influence the General Partners in deciding whether to select such a service provider or have other relationships with the Firm.

Conflicting fiduciary duties to other funds. The Funds may purchase or dispose of investments in which another investment vehicle affiliated with the General Partners has an interest, or otherwise another such entity may purchase or dispose of an investment in a portfolio company of the Funds and may do so at different points in time. The General Partners and the Firm may owe fiduciary duties to such other affiliated entities as well as to the Fund.

Investments in which affiliated vehicles have a different principal investment. The Funds may also co-invest with other affiliated investment funds (including co-investment or other vehicles in which the Firm or its personnel invest and that co-invest with such other affiliated investment funds) or accounts in investments that are suitable for both a Fund and such other affiliated entities. To the extent a Fund holds securities or instruments that are different (including with respect to their relative seniority or liquidation preferences) than those held by such other affiliated entities, the General Partners and their affiliates may be presented with decisions when the interests of multiple funds are in conflict. In

that regard, actions may be taken for the other affiliated entities that are adverse to a Fund, and vice-versa.

Certain transactions. Under certain circumstances, the Funds may purchase or sell portfolio securities from or to one or more other investment vehicles managed by the applicable General Partner or their respective affiliates (generally defined as warehoused investments). Depending on the timing of the availability of investment opportunities and the formation of and commitment of capital to a Fund, such Fund's only opportunity to invest in certain companies may be to purchase such securities from such other investment vehicle or vehicles managed by the applicable General Partner or their respective affiliates. Any such transactions would inherently involve conflicts of interest.

Independent investment vehicles. Each of the Funds have been or are being raised as independent investment vehicles, and an investor in one such fund does not have a right to be an investor in the other fund and must subscribe for an interest in each such fund separately. An investor who has elected to invest in more than one Fund may also hold a different percentage interest in each such Fund. A General Partner's carried interest in one such Fund will be determined without regard to the performance of the other Fund. Each Fund has a different investment objective and risk profile, and each prospective investor should consult with his, her or its personal legal, tax and financial advisers before determining the extent of such person's participation in each Fund.

Allocation of investment opportunities between the Funds. In the event that the Funds invest in the same portfolio company, the General Partners may allocate an investment opportunity between the Funds based on a number of considerations, including, but not limited to, the size of such investment as well as the aggregate amount already invested by each Fund in such company. Such methodology may cause one of such Funds to be allocated a greater or lesser participation than if a different approach were used. The Funds may also dispose of their respective holdings in a given portfolio company at different times, for different prices and/or upon other different terms. Alpaca VC has developed policies and procedures to attempt to mitigate potential conflicts of interest between its clients when allocating investment opportunities.

Voluntary withdrawals. Voluntary withdrawals of investor interests are not permitted, except in limited instances when required or when necessary to comply with the laws or regulations applicable to an investor, to the extent so provided in the Governing Documents. As a result, investors may not be able to liquidate their investments prior to the end of a Fund's term. A withdrawn investor may not be entitled to immediate payment for its interest in a Fund. Any withdrawal of an investor may reduce the amount of Fund capital available for investment or other activities.

Mandatory withdrawals. The General Partners may, under certain circumstances, require an investor to withdraw from a Fund. If an investor is required to withdraw from a Fund and/or prevented from making any future capital contributions, such Fund may face a capital shortfall. If such Fund is unable to finance the shortfall from other sources, it is possible that the Fund may be required to limit the scope of its investments, or it may default on its obligations and/or its ability to continue operations may otherwise be impaired.

Carried interest of the General Partners. The percentage of profits allocated to the General Partner will exceed the capital contribution percentage of the General Partner, and because certain net losses otherwise allocable to the General Partner will be specially allocated to all the Fund's partners (up to the point that the Limited Partners' capital account balances reach zero), the General Partner may have an incentive to make investments that are riskier or more speculative than if the General Partner received allocations on a basis identical to that of the investors. In addition, upon the winding up of the Fund, the General Partner may receive carried interest distributions with respect to a distribution in-kind of non-marketable securities. The valuation of such securities for such purposes will be determined by the General Partner as set forth in the Governing Documents.

Non-U.S. investments. The Funds may invest a portion of its aggregate capital commitments outside of the United States. Non-U.S. securities involve certain risk factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability, including the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation; (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities and (v) less developed corporate laws regarding creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors. Additionally, certain countries in which the Funds may invest have in the past experienced, and may in the future experience, political and social instability that could adversely affect such Fund's investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic and social

conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector. The Funds generally does not intend to obtain political risk insurance. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the return from investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on repatriation of capital, renunciation of foreign debt, political, economic or social instability or other economic or political developments could adversely affect the assets of the Fund held in a particular country.

Liquidation. If a Fund should become insolvent, the investors may be required to return with interest any property distributed that represented a return of capital, repay any distributions wrongfully made to them and forfeit any undistributed profits.

Investments longer than term. The Funds may make investments that may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that a Fund will be dissolved, either by expiration of such Fund's term or otherwise. Although the General Partners expect that investments will generally be disposed of prior to dissolution or will be suitable for in-kind distribution at dissolution, the General Partners has a limited ability to extend the term of the Funds, and the Funds may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of a Fund the applicable General Partner will be required to timely reduce to cash and cash equivalents such assets of such Fund as the applicable General Partner shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the timeframe in which the winding up and the final distribution of proceeds to the investors will occur.

Dilution from subsequent closings. Investors subscribing for interests in a Fund or increasing their commitments at subsequent closings up to and including a Fund's final closing, will participate in existing investments of such Fund, diluting the interest of existing investors therein. Although such investors subscribing for interests or increasing commitments at subsequent closings will contribute their pro rata share of previously made Fund draws (plus, in certain cases, an additional amount thereon if required by the Governing Documents), there can be no assurance that this payment will reflect the fair market value of such Fund's existing investments at the time such additional investors subscribe for interests or increase their commitments.

Advisory Committee approvals. The Governing Documents will contain certain protections for investors against conflicts of interest faced by the General Partners but will not purport to address all types of conflicts that may arise. Under the Governing Documents, certain transactions that involve conflicts of interest between a General Partner and its respective Fund may be submitted to the advisory committee of such Fund (the "Advisory Committee") for resolution. However, the Advisory Committee will not necessarily represent the interests of all the investors and the members of the Advisory Committee may themselves be subject to various conflicts of interest (including as investors in other entities related to or affiliated with the General Partner). In general, the investors will not be entitled to control the selection of members of the Advisory Committee.

Public disclosure. Some of the interests in the Funds may be held by investors such as public pension plans, public universities and listed investment vehicles, which are subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to a Fund or its portfolio companies results from interests in such Fund being held by public investors, the Fund may be adversely affected. The respective General Partner may, in order to prevent any such potential disclosure, withhold information otherwise to be provided to such public investors. Conversely, potential future regulatory changes applicable to investment advisers or the accounts they advise could result in a General Partner or a Fund becoming subject to additional disclosure requirements.

Limited access to information. Investors' rights to information regarding a Fund will be specified, and strictly limited, in the Governing Documents. In particular, it is anticipated that the General Partner will obtain certain types of material information from portfolio investments that will not be disclosed to investors because such disclosure is prohibited for contractual, legal, fiduciary or similar obligations outside of the General Partner's control. Decisions by the General Partner to withhold information may have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its interests may have difficulty in determining an appropriate price for such interests. Decisions to withhold information also may make it difficult for investors to monitor the General Partner and its performance. Additionally, it is expected that investors that designate representatives to participate on the Advisory Committee or receive side letter rights to additional information may, by virtue of such participation or rights, have more information about the Funds and portfolio investments in certain circumstances than other investors generally, and may be disseminated information in advance of communication to other investors generally.

Side letters with certain investors. Certain investors may invest pursuant to side letter agreements that have the effect of altering or supplementing the material terms of the applicable Fund. Such arrangements may afford certain investors different terms from the terms of the applicable Fund with respect to carried interest, management fees, expenses, participation in such Fund's Advisory Committee, co-investments, subscription rights to other investment vehicles, the content and frequency of reports, notice of events or information not provided to other investors, tax and regulatory structuring and reporting assistance, "most favored nation" rights and other matters. Investors that have been granted additional access to portfolio information or other enhanced transparency may be able to make investment decisions, (including, without limitation, increasing their capital commitments, participating in co-investments, making outside investments or dispositions or entering into hedging transactions designed to offset exposure to investment positions taken by a Fund) based on information not generally available to other investors, including investors. In some cases, such investment decisions made by these investors on the basis of such information could adversely affect the market value of a Fund's portfolio and therefore the value of interests in such Fund. In addition, certain investors may contribute capital to a Fund indirectly through such Fund's General Partner, which may reduce the amount of capital that must be contributed by the respective General Partner and the other members of the Investment Team and may therefore reduce the economic alignment between such persons and the investors. The terms and conditions of any such arrangements will be agreed to solely at the discretion of a Fund, its General Partner and/or the Firm, as applicable, and may be more favorable than those offered to any other investor. A General Partner will not be required to disclose any such arrangements to other investors unless otherwise required to do so pursuant to applicable law or regulation or the terms of an applicable agreement. Investors that receive such beneficial arrangements (including the right to bear or pay reduced carried interest or management fees or the right to receive a share of the carried interest or management fees earned by a General Partner or the Firm) may include members or affiliates of a General Partner or their family members.

Co-investments. A General Partner and its affiliates may, from time to time, offer co-investments to one or more co-investors when such General Partner deems it appropriate and consistent with the interests of the respective Fund. Such co-investments may reduce the amount a Fund can invest in any given opportunity and the respective General Partner may be unable to make as large of an investment on behalf of such Fund as otherwise might be desirable. In addition, the allocation of investments between co-investors and a Fund will be at the relevant General Partner's discretion and if the co-investors receive more favorable economic terms for the same investment than such Fund, its General Partner may have a conflict of interest with respect to allocating investments between the

co-investors and the Fund. A General Partner is not obligated to arrange co-investment opportunities or to offer any investor the opportunity to co-invest and no such investors or beneficial owners will be obligated to participate in such an opportunity if offered. Any investment by co-investors alongside a Fund will be subject to approval by the respective General Partner in its sole discretion, on a case-by-case basis and by determining whether such co-investment is appropriate. If approved, applicable General Partner will allocate an investment among a Fund, on the one hand, and the co-investors, on the other hand, in its sole discretion, taking into account factors including, but not limited to: (i) the ability of a co-investor to commit to invest in a short period of time, in light of the timing constraints applicable to the co-investment; (ii) the ability of a co-investor to commit to a significant portion of such opportunity; (iii) whether a co-investor is a strategic investor; (iv) the size of a co-investor commitment to or investment in the Fund; (v) a co-investor's tenure as an investor with the General Partners or their affiliates; and (vi) tax and regulatory considerations relevant to a co-investor and the particular co-investment opportunity, etc.).

Receipt of payments by certain investors. Certain providers of financing to one or more Funds (a "Strategic Investor") will have a right to receive a stream of payments equivalent to a portion of the carried interest relating to such Fund. Such Strategic Investors may also be an investor in a Fund. The existence of the right of the Strategic Investor to receive a stream of payments equivalent to a portion of carried interest in respect of investments made or proposed to be made by a Fund may create an incentive for such Strategic Investor to take certain positions with respect to voting its interests in such Fund that may be more aligned with its General Partner, than would be the case in the absence of the right to receive such stream of payments.

Excuse and exclusion from investments. Under certain limited circumstances as set forth in the Governing Documents of each Fund, or via a side letter agreement, an investor may be excused or excluded from participating in a Fund investment. In any such circumstance, each other investor may be required to make an additional capital contribution in respect of such investment, subject to certain limitations, thereby resulting in such other investor having increased exposure to such investment than such investor would have had but for such excuse or exclusion.

Risks related to leverage. The Funds will be subject to risks normally associated with debt financing, including the risk that a Fund's cash flow will be insufficient to meet required payments of principal and interest. There can be no assurance that the Funds will be able to refinance any maturing indebtedness, that such refinancing would be on terms as favorable as the terms of the maturing indebtedness, or that the Funds will otherwise be

able to obtain funds by selling assets or raising equity to make required payments on maturing indebtedness. A Fund's ability to refinance any debt financing in a timely manner and at favorable terms is dependent on several factors including, but not limited to, general economic conditions, such Fund's credit ratings and interest rate levels. A Fund's borrowings also may bear interest at variable rates. Increases in interest rates may increase the Funds' interest expense under these borrowings.

Potential restrictive covenants. A Fund also may enter into various credit agreements or other indebtedness to fund its operations on a short-term basis. These credit agreements or other indebtedness will require such Fund to comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. These covenants may limit a Fund's flexibility in its operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if such Fund has satisfied its payment obligations.

Partner clawback. Each investor will be required to contribute to its Fund its proportionate share of (a) any indemnification obligations incurred by such Fund or (b) liabilities of such Fund incurred in connection with indemnity, purchase price adjustment, tax or other obligations incurred in connection with an investment. For this purpose, a General Partner may recall distributions previously made to investors, subject to the limits set forth in the Governing Documents.

Counterparty risk. The Funds are exposed to the risk that third parties that may owe a Fund money, securities or other assets will not perform their obligations. These parties include trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, administrators and other financial intermediaries. Although Alpaca VC intends to enter into transactions with responsible and creditworthy counterparties, failure by a counterparty to fulfil its contractual obligations (due to credit, liquidity or other reasons) could expose a Fund to unanticipated losses. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or whether a Fund has concentrated its transactions with a single or small group of counterparties.

Other Accounts. Alpaca VC and its affiliates may advise other, non-Fund clients and accounts (each, an "Other Account") with respect to the purchase, sale and development of assets. Such Other Accounts may hold or may have held investments similar to the investments intended to be made by the Funds, including certain investments that may represent appropriate investment opportunities for the Funds and may compete with the Funds for investment opportunities. Alpaca VC will continue to advise such Other Accounts

after the establishment of any Fund. Accordingly, it is expected that Alpaca VC may give advice and take actions with respect to such Other Accounts that will compete or conflict with the advice Alpaca VC gives to the Funds. In addition, actions taken on behalf of such Other Accounts may have the effect of diluting or otherwise disadvantaging the values, prices, or investment strategies of the Funds.

Portfolio Company Risks

Early-stage investments. The Funds may pursue a venture capital strategy and may primarily make venture capital investments (in both primary and secondary transactions) in equity and equity-oriented securities of privately held technology companies, including existing portfolio companies of the Funds. These companies may have limited or no revenues, may not be profitable and may require considerable additional capital to develop products, audiences, technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Furthermore, the products, audiences, technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Typically, although the Funds may be represented by a member of the respective General Partner on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with the applicable Fund or its General Partner). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

Reliance on portfolio company management team. The Funds will generally hold minority equity positions in its portfolio companies, with limited control and information rights. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the General Partners and the Firm will be responsible for monitoring the performance of each investment by the Funds, and the Funds will seek to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate a portfolio company in accordance with each Fund's plans or policies. The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team. Additionally, portfolio companies will need to attract, retain, and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or

developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, a Fund may be adversely affected thereby. In addition, certain portfolio companies, or employees of portfolio companies, may engage in misconduct or otherwise act or fail to act in a manner that adversely affects such portfolio companies or the Funds, without the knowledge of the applicable General Partner. Instances of fraud, misconduct, and other deceptive or abusive practices committed by the management teams or other employees of portfolio companies in which a Fund has an investment may undermine the applicable General Partner's due diligence, investment monitoring and compliance efforts with respect to such companies. Further, any discovery or allegation of any such deceptive or abusive practices could adversely affect the valuations of a Fund's investments and may contribute to overall market volatility that may negatively impact a Fund's investment portfolio.

Lack of diversification. Except as set forth in the Governing Documents, the Funds are not subject to any diversification requirements and may invest in a limited number of companies, sectors, countries or regions. To the extent a Fund concentrates its investments in a particular company, sector, country or region, its investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular company, sector, country or region. As a consequence, the aggregate return of such Fund may be adversely affected by the unfavorable performance of one or a small number of companies, sectors, countries or regions in which the Fund has invested. In certain cases, a Fund may acquire majority or 100% interests in portfolio companies, which could further increase the vulnerability of such Fund's portfolio.

Legal and regulatory risks in portfolio companies. Legal and regulatory changes could occur during the term of a Fund. The products and services of portfolio companies and some Fund assets may be subject to extensive and rigorous regulation by United States local, state and federal regulatory authorities and by foreign regulatory bodies. There can be no assurance that products and services developed by a Fund's portfolio companies will ever be approved by such governmental authorities, if such approval is required. There may be instances when the discovery of previously unknown problems with a product, service, manufacturer or facility could result in restrictions on the use or the manufacture of such product or delivery of such service, including costly recalls or even withdrawal of the product or service from the market. Such events, whether voluntarily or mandated by a regulatory authority, typically result in an immediate reduction or discontinuation of revenues from the product or service worldwide. If such an event were to occur, it would likely have a significant and adverse effect on the performance of a particular portfolio

company and could have a material adverse effect on the aggregate performance of a Fund.

Availability of investment capital. Growth-stage investments often require additional rounds of capital infusions before the portfolio company reaches full maturity. If an investor does not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the portfolio company and the face value of the investor's original investment. Although the Funds may reserve sufficient liquidity to allow it to participate in follow-on rounds of financings, the Funds do not intend to provide all necessary follow-on capital required by a portfolio company. Accordingly, third-party sources of financing will likely be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to the Funds. Furthermore, a Fund's capital is limited and may not be adequate to protect such Fund from dilution in subsequent rounds of portfolio company financing.

Reserves. As is customary in the venture capital industry, a General Partner may elect to establish reasonable reserves for follow-on investments by a Fund in portfolio companies, operating expenses, Fund liabilities and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which directly tie to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the investors. If reserves are inadequate, a Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or similar terms. If reserves are excessive, a Fund may decline attractive investment opportunities.

Lack of liquidity within the investment portfolio. The inherent nature of venture capital investing dictates a significant length of time between the initial investment and realization of gains, if any. Despite some historical examples of accelerated rates of return over a short period of time, venture capital investments, if successful, typically take five to seven years or more from date of investment to reach a state of maturity where liquidity is possible. A Fund's investment portfolio will consist, to a significant extent, of investments in growth stage private companies. The marketability and value of each such investment will depend upon many factors beyond a General Partner's control. Generally, the investments made by a Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of a Fund's investment, a portfolio company may lack one or more key attributes (e.g., proven technology, marketable product, complete management team, or strategic alliances) necessary for success. There may be no readily available market for a Fund's investments, many of which will be difficult to value, and the disposal of a portfolio investment by a Fund may be prohibited or delayed

many years from the date of initial investment for legal and/or regulatory reasons. The public market for high technology and other emerging growth companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of a Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by such Fund.

Bridge financings. From time to time, the Funds may enter into bridge financings with portfolio companies, which will generally be structured on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge financings would typically be convertible into a more permanent, long-term security. However, for reasons not always in a Fund's control, such long-term securities may not be issued and such bridge financings may remain outstanding. In such event, the interest rate on such instruments may not adequately reflect the risk associated with the unsecured position taken by such Fund.

Risks of certain dispositions. In connection with the disposition of an investment in a portfolio company or otherwise, the Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. It may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partners may establish reserves or escrow accounts. In that regard, under certain circumstances described in the Governing Documents, the General Partners may make distributions of cash or securities to the investors that remain subject to recall for the payment (in whole or in part) of such contingent liabilities. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Fund.

Non-controlling investments. The Funds will typically hold non-controlling interests in their portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies. As a condition to an investment in a portfolio company, it is expected that appropriate rights generally will be sought to protect each Fund's interests to the extent possible, however, here can be no assurance that such minority shareholder rights will be available. The growth stage portfolio companies targeted by the Funds typically will be at later stages of business maturity than the portfolio companies commonly sought out by early stage venture capital funds, and the Funds' investments may present features that are different from those of typical early stage venture capital financings (including, without limitation, different valuations and risk-return profiles, smaller available ownership percentage amounts, fewer or non-standard investor rights and reduced opportunity to communicate with management), and the Funds may not be

able to protect their interests in its portfolio companies to the same extent that early stage venture capital funds have historically done. Furthermore, the Funds will be significantly reliant on the management and boards of directors of such companies, which may include representation of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. Co-investments with third parties in portfolio companies may involve risks not present in portfolio investments where a third party is not involved, including the possibility that a third party investor may have financial difficulties resulting in a negative impact on such portfolio investment, may have economic or business interests or goals which are inconsistent with those of the Funds or may be in a position to take action contrary to a Fund's investment objectives. In addition, the Funds may in certain circumstances be liable for the actions of such third-party co-investors.

Due diligence risks. Before making investments, the applicable General Partner intends to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence and making an assessment regarding an investment, a General Partner will rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisers or consultants may present a number of risks primarily relating to a General Partner's reduced control of the functions that are outsourced. In addition, if a General Partner and/or Firm are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. Furthermore, the due diligence process may at times be subjective, particularly with respect to newly organized companies for which only limited information is available. Accordingly, there can be no assurance that the due diligence investigation that a General Partner will carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Furthermore, there can be no assurance that such an investigation will result in an investment being successful.

Expedited transactions. Investment analyses and decisions by a General Partner may be undertaken on an expedited basis in order for the relevant Fund to take advantage of available investment opportunities. In such cases, the information available to a General Partner at the time of an investment decision may be limited, and a General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The Funds may conduct its due diligence activities over a very

brief period of time and may assume the risks of obtaining certain consents or waivers under contractual obligations. In addition, a General Partner may rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments. While the General Partners expect to negotiate purchase price adjustments, termination rights and other protections, such rights may not be available or, if available, a General Partner may elect not to exercise them.

Securities laws restrictions on trading. A member, officer, employee or other representative of a General Partner or the Firm or other affiliate of a Fund may serve as a director of a portfolio company. As a result, such Fund (through its representatives or otherwise) may receive or be deemed to receive information that would restrict its ability to cause the Fund to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect such Fund's ability to buy, sell, distribute or otherwise dispose of certain securities. In addition, the ability of a Fund to execute trades in securities of these companies may also be restricted by securities laws, including but not limited to Section 16 of the Securities Exchange Act of 1934, as amended, and Rule 144 promulgated under the Securities Act of 1933, as a result of the board participation or extent of ownership of a Fund and affiliated persons.

Impact of economic conditions. Some economists are predicting that the United States and global economies may recover slowly from the economic impact of the COVID-19 global pandemic and may enter recessions. As the result of such recessions, the business, operating results, financial condition and prospects of many of a Fund's portfolio companies could be materially and adversely affected, as could the value of such Fund's investments in such companies. Additionally, a period of slow recovery or deteriorating general economic conditions could negatively impact a Fund's ability to dispose of its portfolio company investments by adversely affecting the market for acquisitions of and public offerings.

Projections. The Funds expect, at times, to rely upon projections developed by the relevant General Partner or a portfolio company concerning such portfolio company's future performance and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of a General Partner and such portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements, and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values and cash flow.

Exposure to material nonpublic information. Each of the General Partner, the Funds, their respective affiliates and their respective members, officers, directors, employees or

principals may come into possession of material nonpublic information. The possession of such information may limit the ability of the Funds to buy or sell a security or otherwise to participate in an investment opportunity or restrict the ability of the Funds to receive information with respect to certain opportunities. Further, in the current environment, there is an increased risk of insider trading enforcement actions in a variety of jurisdictions and by a number of regulators. Even in the absence of wrongdoing, any such enforcement activity, or regulatory investigations in connection with a potential enforcement action, could have a material adverse effect on the General Partners or their affiliates, the Funds or the actual realized returns of investors. The boundaries of the laws applicable to insider trading and practices relating to insider trading enforcement are continuing to evolve, which may impact a Fund's trading and investment activities in ways that are unexpected.

Digital Asset Risks

Digital Asset investments. The Funds may acquire in connection with their portfolio instruments, or otherwise invest in, cryptocurrencies, decentralized application tokens, protocol tokens, app coins and other similar digital and cryptofinance instruments and assets, the ownership or transmission of which is recorded or verified by a distributed ledger (including a "blockchain" or directed acyclic graph) or other similar technology, and securities and instruments that are related to, derived from or convertible into or exchangeable for such assets or that represent interests in pools of such assets (collectively, "Digital Assets"). Digital Assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code or other action, not by a central actor, and prices have been extremely volatile.

Emerging technology and malicious actors. The ownership or transmission of Digital Assets is recorded or verified by a distributed ledger or other similar technology. The marketplace for such Digital Assets is still in its early stages of development, which may increase the risk of loss with respect to investments in Digital Assets in a number of ways. Digital Assets and their functions are generally governed by software run on a network of computers associated with such Digital Assets. Various issues related to such software and such computer networks could result in the diminution in value of Digital Assets, including, without limitation, undiscovered flaws in software, advancement in computing technology and third-party attacks on computer networks.

Digital Asset exchanges. Digital Asset exchanges and other service providers to the Digital Assets sector are not well developed. Multiple Digital Asset exchanges and parties providing storage solutions for Digital Assets have ceased operation due to fraud, security breaches and governmental decree. A Fund's investments in Digital Assets may be held by

such an exchange or other third party and could be subject to loss if such exchange or other third party were to shut down or suffer a security breach or other negative event.

Custody of a Fund's Digital Assets. The General Partners will be responsible for arranging custody of their respective Fund's Digital Assets, including by storage in one or more "cold wallets" and/or on various Digital Asset exchanges. Digital Asset exchanges may require a General Partner to provide control of applicable private keys when such exchanges are utilized by its respective Fund. The General Partners will take such reasonable steps as they determine are necessary to maintain access to these keys and to prevent their exposure to hacking, malware and general security threats, but there can be no assurance that such steps will be adequate to protect such keys or the applicable Fund's Digital Assets from such threats or that there will be no failure or penetration of the applicable security systems. There also can be no assurance that, to the extent a Fund utilizes third-party custodial services, such third parties maintain required certifications with the Securities Exchange Commission or other regulatory agencies, the loss of which could cause such custodians to not be deemed qualified custodians by various regulatory agencies. Additionally, as this is an evolving space, it will be difficult to judge best practices among such custodians and there can be no guarantees.

Risk of loss of private keys. Various Digital Assets are controllable only by the possessor of unique private keys relating to the addresses in which the Digital Assets are held. The theft, loss or destruction of a private key required to access a Digital Asset is irreversible, and any such private key would not be capable of being restored by a Fund. Any loss of private keys relating to digital wallets used to store a Fund's Digital Assets could result in the loss of such Digital Assets, and an investor could incur substantial, or even total, loss of capital invested in Digital Assets. Uncertain regulatory environment for Digital Assets. Digital Assets currently face an uncertain regulatory landscape in the United States and in other jurisdictions. Various jurisdictions may, in the near future, adopt laws, regulations or directives that affect Digital Assets and parties that come into contact with Digital Assets. Such laws, regulations or directives may negatively impact a Fund in a variety of ways, including increasing the compliance burden of a Fund and its related parties or diminishing the value of a Fund's investments in Digital Assets.

Lack of management rights in Digital Asset investments. In many cases, a Fund may invest directly in a Digital Asset that lacks the governance aspects that generally pertain to equity securities. For example, a holder of a Digital Asset generally does not have the right to appoint board members or otherwise vote on corporate actions of the entity that has issued the Digital Asset. As a result, the General Partners and the Funds will have limited,

if any, ability to influence the actions of the issuer of the Digital Asset and such lack of influence may negatively impact the value of any particular investment.

Tax risk of Digital Asset investments. There is substantial uncertainty regarding the tax treatment of Digital Assets. As such, the General Partners may take certain tax positions that may ultimately be treated differently in the course of an audit by the Internal Revenue Service ("IRS"), or the regulations promulgated by the IRS may change over time. As a result, investors may be subject to adverse tax consequences associated with their investment in the Funds. Irrevocability of transactions. Digital Asset transactions are irrevocable and stolen or incorrectly transferred Digital Assets may be irretrievable. As a result, any incorrectly executed Digital Asset transactions could adversely affect a Fund's investment. Digital Asset transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction or, in theory, control or consent of a majority of the aggregate hashrate on the respective Digital Asset network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of Digital Assets or a theft of Digital Assets generally will not be reversible, and a Fund may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, a Fund's Digital Assets could be transferred from custody accounts in incorrect quantities or to unauthorized third parties. To the extent that a Fund is unable to seek a corrective transaction with such third party or is incapable of identifying the third party that has received such Fund's Digital Assets through error or theft, the Fund will be unable to revert or otherwise recover incorrectly transferred Digital Assets. To the extent that a Fund is unable to seek redress for such error or theft, such loss could impair the value of the Digital Assets held, whether as collateral or otherwise, or adversely affect such Fund's investment.

Risks of internet disruptions. A disruption of the internet may affect the use of Digital Assets and subsequently the value of the interests in a Fund. Many Digital Assets are dependent upon the internet. A significant disruption in internet connectivity could disrupt a currency's network operations until the disruption is resolved and have an adverse effect on the price of Digital Assets. In particular, some variants of Digital Assets have been subjected to a number of denial-of-service attacks, which have led to temporary delays in block creation and in the transfer of the currency. While in certain cases in response to an attack, an additional "hard fork" has been introduced to increase the cost of certain network functions, the relevant network has continued to be the subject of additional attacks. Moreover, it is possible that as Digital Assets increase in value, they may become more attractive targets for hackers and subject to more frequent hacking and denial-of-service attacks. Digital Assets are also susceptible to border gateway protocol hijacking, or

BGP hijacking. Such an attack can be a very effective way for an attacker to intercept traffic en route to a legitimate destination. BGP hijacking impacts the way different nodes and miners are connected to one another to isolate portions of them from the remainder of the network, which could lead to a risk of the network allowing double-spending and other security issues. If BGP hijacking occurs on a Digital Asset network, participants may lose faith in the security of Digital Assets, which could affect the value of those Digital Assets and consequently the value of the interests in a Fund. Any future attacks that affect the ability to transfer the Digital Asset could have a material adverse effect on the value of the Digital Asset held, whether as collateral or otherwise, certain Digital Asset Companies and a Fund's investment.

Limited history of Digital Asset companies and Digital Assets. Due to the limited history of Digital Assets and the companies that issue them ("Digital Asset Companies") and the rapidly evolving nature of the Digital Asset industry, it is not possible to know all the risks involved in making an investment in the debt and/or equity of Digital Asset Companies, and new risks may emerge at any time. Digital Asset Companies and Digital Assets have gained commercial acceptance only within the past decade and, as a result, there is little data on the long-term sustainability of Digital Assets, as well as the business models among Digital Asset Companies that will provide for long-term profitability. Additionally, due to the rapidly evolving nature of the Digital Asset market, including the development of new Digital Assets, advancements in the underlying technology and the emergence of new Digital Asset Companies, it is not possible to predict which Digital Assets a Fund may have economic exposure to in the future or even to fully describe those potential Digital Assets. New Digital Assets or changes to existing Digital Assets may expose investors to additional risks which are impossible to predict. This uncertainty makes a Fund's investments in this area very risky.

Risks related to security protocols. The Funds could experience unforeseen difficulties in operating and maintaining its security procedures or other key elements of its technical infrastructure. Security protocols have been designed specifically to provide security for a Fund's assets and may be expanded, updated and altered from time to time. Any effort to expand, update or alter the security system is likely to be complex, and unanticipated delays in the completion of these projects may lead to unanticipated project costs, operational inefficiencies or vulnerabilities to security breaches. In addition, there may be problems with the design or implementation of certain security protocols or with an expansion or upgrade thereto that are not evident during the testing phases of design and implementation, and that may only become apparent after a Fund has utilized the infrastructure. Any issues relating to the performance and effectiveness of the security procedures used by a Fund, its custodians and security vendors to protect its Digital Assets,

such as algorithms, codes, passwords, multiple signature systems, encryption and telephone call-backs, may have an adverse impact on such Fund's investment.

The security procedures implemented by a General Partner, the Firm, a Fund and their custodians and security vendors are technical and complex, and the Fund depends on these security procedures to protect the storage, acceptance and distribution of data relating to Digital Assets and the digital wallets into which such Fund deposits its Digital Assets. These security procedures may not protect against all errors, software flaws or vulnerabilities. Additionally, a Fund will be impacted by failures with the security systems of any of its portfolio companies. Defects in the security procedures may only be discovered after a failure in the custodians' and security vendors' safekeeping and storage of a Fund's Digital Assets. Such custody and security systems may be implemented by a General Partner or the Firm directly as well as by third-party custody providers.

It is not uncommon for businesses in the Digital Asset space to experience large losses due to fraud and breaches of their security systems. Furthermore, the Fund's private keys required to transfer the Fund's Digital Assets could be stored on systems or vaults located across the world, depending on the practices and procedures of the Fund's custodians or security vendors, which could be subject to (i) hostile regulatory treatment of Digital Assets, (ii) unforeseen social, economic or political unrest and (iii) natural or man-made disaster.

The Funds, the General Partners, the Firm, the custodians, the security vendors and each of their agents will take measures to protect a Fund and its Digital Assets from unauthorized access, damage or theft. However, it is possible that the security procedures in place may not prevent the improper access to, or damage or theft of a Fund's Digital Assets. A security breach could harm a Fund's reputation or result in the loss of some or all of such Fund's Digital Assets. A resulting perception that the security procedures do not adequately protect a Fund's Digital Assets may have an adverse impact on such Fund's investment.

Risks related to custodians and security vendors. The Funds may use custodians and/or security vendors to hold custody of some types of Digital Assets or a portion of some types of its Digital Assets. The Funds may have a high concentration of its Digital Assets in one location or with one custodian, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyberattacks as described herein. The Funds are not required to maintain their Digital Assets with a minimum number of custodians. Custodians and security vendors of Digital Assets may have limited liability, impairing the ability of a Fund to recover losses relating to its Digital Assets and any recovery may be limited, even in the event of fraud. In addition, a custodian or security

vendor may not be liable for any delay in performance of any of its custodial or security vendor obligations by reason of any cause beyond its reasonable control, including acts of God, war or terrorism, and may not be liable for any system failure or third-party penetration of its systems, unless such system failure or third-party penetration is the result of gross negligence, bad faith or willful misconduct on the part of the custodian or security vendor. Similarly, investors have limited recourse against a General Partner for any losses sustained when such party or its affiliates had custody of any assets. As a result, the recourse of a Fund or its investors to such custodians or security vendors may be limited. A loss of confidence or breach in a General Partner's security and technology policies may adversely affect the respective Fund and its investors.

Risks Related to Real Estate and Real Estate-Related Investments

General real estate risks. Certain clients of the Firm may be private funds, or Other Accounts, that endeavor to invest in real estate and real estate-related investments through the Firm's next generation real estate strategy (such real estate fund or account a "Real Estate Fund" and, collectively with all real estate funds and accounts, the "Real Estate Funds"). The Real Estate Funds' investments will be subject to the risks associated with the ownership of real estate-related assets, portfolios of real estate-related assets, real estate-related persons, the real estate industry in the United States and in general and, to the extent the investments are leveraged, the risks incident to borrowing funds, including risks associated with changes in the general economic climate, changes in the overall real estate market, and local real estate conditions. These types of underlying interests are typically illiquid. Deterioration of real estate fundamentals may negatively impact the performance of such portfolio investments. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, environmental liability, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, the financial condition of tenants, buyers and sellers of properties, supply of or demand for competing properties in an area, technological innovations that dramatically alter space requirements and demand, the availability of financing, changes in interest rates, competition based on rental rates, energy and supply shortages, various uninsured, uninsurable risks and government regulations, potential liability under changing environmental laws, acts of God, natural disasters, increase in interest rates and other factors that are beyond the control of Alpaca VC.

Additionally, a Real Estate Fund may invest in real estate-related assets or properties in jurisdictions where indigenous rights (e.g., with respect to tribes or other dispossessed people/communities) to land exist. While each Real Estate Fund will generally conduct due diligence in such jurisdictions to determine the extent to which it may be affected by such rights, it may not be possible to mitigate against or remove a risk associated with indigenous claims. Additionally, any declaration of title in respect of government protected land on which real estate-related assets or properties are located may negatively affect the operation of those businesses.

Due diligence risks. Alpaca VC intends to conduct due diligence with respect to each investment opportunity or other transaction it pursues. It is possible, however, that Alpaca's due diligence process will not uncover all relevant facts, particularly with respect to any assets a Real Estate Fund acquires from third parties. In such cases, Alpaca VC may be given limited access to information about the investment and will rely on information provided by the target of the investment. In addition, if investment opportunities are scarce, the process for selecting bidders is competitive or the timeframe in which a Real Estate Fund is required to complete diligence is short, such Real Estate Fund's ability to conduct a due diligence investigation may be limited, and it would be required to make investment decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, investments and other transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

Economic risks. The Real Estate Funds are exposed to the general economic conditions and the local, regional and national conditions that affect the markets in which they own properties. Each Real Estate Fund's operating performance is further impacted by the economic conditions of the particular markets in which it has a concentration of properties. Any material oversupply of properties similar to those owned by each Real Estate Fund or a material reduction of demand for such properties in markets involving similar types of use and/or customer base could adversely affect each such Fund's financial condition.

Risks related to real estate-related ownership. Real property related investments are subject to varying degrees of risk. While Alpaca VC will attempt to minimize a Real Estate Fund's exposure to these risks through the diversification of its portfolio, market research and Alpaca VC's investment management capabilities, these risks cannot be eliminated. The factors that can affect real estate-related assets values include:

- The attractiveness of a Real Estate Funds' properties to potential buyers, users or renters;
- Competition from other available properties or assets;

- A Real Estate Funds' ability to provide adequate maintenance of, and insurance on, its properties or assets;
- A Real Estate Funds' ability to control variable operating costs; and
- Governmental regulations, including zoning, usage and tax laws, and changes in or potential liability under these and other laws.

Risks associated with the acquisition of assets. The Real Estate Funds will acquire real estate related assets from time to time. The acquisition of properties and assets involves risks, including the risk that the acquired property will not perform as anticipated and the risk that any actual costs for rehabilitation, repositioning, renovation and improvements identified in the pre-acquisition due diligence process will exceed estimates. There is, and it is expected that there will continue to be, significant competition for investment opportunities that meet the Real Estate Funds' respective investment criteria as well as risks associated with obtaining financing for acquisition activities, if necessary.

Risks associated with redevelopment and repositioning activities. The Real Estate Funds may acquire direct or indirect interests in real property or real estate-related assets that is underdeveloped or requires repositioning. To the extent a Real Estate Fund invests in such assets, it will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning, planning consents, licensing and other regulatory approvals, the cost and timely completion of construction (including risks beyond the reasonable control of a General Partner, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities. Properties and real estate-related assets acquired for redevelopment may receive little or no cash flow from the date of acquisition through the date of completion of redevelopment and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of redevelopment, which may make such redevelopment less attractive than at the time it was commenced.

Leasing risk. A Real Estate Fund's results of operations, distributable cash flow and the value of its interests would be adversely affected if a significant number of the tenants leasing such Real Estate Fund's properties, or properties in which a Real Estate Fund's real estate-related asset operates, are unable to meet their lease obligations. In the event of default with respect to a significant number of properties, such Real Estate Fund may experience delays and incur substantial costs. A Real Estate Fund's performance would also be adversely affected if such Real Estate Fund's real estate related-assets or properties are

unable to sale, license or contract their assets, or lease and re-lease, on economically favorable terms, a significant amount of space in such real estate properties. The number of real estate-related assets or properties involving similar types of use and/or customer base in a market or sub-market could adversely affect both such Real Estate Fund's properties ability to lease and lease-up the property and the rental rates that can be obtained in new leases where applicable, or sale, license or contract, its real-estate related assets.

Market impact on the operations of tenants. A downturn in the economy may impact the success of the operations of tenants. Some tenants may experience declining revenues, vacate the premises early, or file for bankruptcy. Any reduction in a tenant's ability to pay base rent, percentage rent or other charges, will adversely affect the applicable Real Estate Fund's financial condition. Further, a Real Estate Fund's property or asset (or property in which its real-estate related assets operate) ability to re-lease vacant spaces, or sale license or contract its assets, as applicable, may be negatively impacted by the then-current economic environment. The Real Estate Funds may see an increase in vacancy and/or decline in use of its assets that could have a negative impact on a Real Estate Fund's returns.

Illiquidity of real estate-related investments. Investments in real estate-related assets are highly illiquid and subject to industry cycles, downturns in demand, market disruptions and the lack of available capital from potential lenders or investors (whether to finance or refinance portfolio properties or for potential purchasers of such properties). Significant expenditures associated with real estate-related investments, such as mortgage payments, real estate taxes and maintenance costs, generally are not reduced in the event of a reduction or interruption in income from such investments. There can be no assurance that cash flow from such investments will at all times be sufficient to provide for such expenditures.

Liquidity of investments in warrants. A Real Estate Fund may, directly or indirectly, acquire interests in operating companies of real estate-related assets through various instruments or transactions, including, but not limited to, warrants or the purchase of equity ownership or other securities in real estate-related assets and related persons, which will be subject to significant restrictions on sale and transfer. Such interests and securities will likely not be publicly registered and consequently cannot be freely sold or transferred except in compliance with applicable federal and state securities laws and regulations. Additionally, certain equity securities may be subject to rights of first refusal, lockups, and other significant restrictions on transfer imposed by the charters, bylaws, stock or option plans, or warrants pursuant to which they were issued by the applicable private company issuer.

Additionally, the activities, assets and investment strategies of such operating companies may be used, consumed, sold or otherwise disposed or transferred without the consent or support of such Real Estate Fund, or notwithstanding the consent or support of such Real Estate Fund, and such activities and strategies may not otherwise be subject to the control of such Real Estate Fund and may or may not be effected, implemented, consummated and otherwise carried out without the consent or support of Alpaca VC, or notwithstanding the consent or support of such Real Estate Fund, as applicable. A Real Estate Fund's lack of control over the activities, assets and investment strategies of operating companies of real estate-related assets, and/or the significant restrictions on and impediments to transferring interests or securities owned by such Real Estate Fund in such operations companies, could significantly reduce the value of the underlying interest or securities held by such Fund and could materially and adversely affect such Real Estate Fund's ability to monetize or foreclose upon such interests or securities, significantly reducing the amount that such Real Estate Fund could realize from any such actions. Such restrictions on the sale or transfer of such interests or securities could have a material adverse effect on their value, which could materially and adversely affect the value of such Real Estate Fund's investments and its interests.

Competition from other real estate-related investors. While the Real Estate Funds may attempt to distinguish themselves from other opportunistic investors in the real estate-related investment market, the Real Estate Funds will encounter competition from numerous other real estate-related investment partnerships and trusts, as well as from individuals, corporations, bank and insurance company investment accounts, foreign investors and other entities engaged in real estate-related investment activities. Competition for investments may have the effect of increasing costs of investments, thereby reducing returns to the Real Estate Funds. Certain of the Real Estate Funds' competitors may have greater financial and other resources and better access to suitable investment opportunities. Whether suitable investment opportunities are available to the Real Estate Funds, each Real Estate Fund will bear management fees and other fund expenses described herein.

The Real Estate Funds may hold investments at the date of its termination. A Real Estate Fund may make or hold investments which may not be advantageously realized prior to the date on which such Real Estate Fund will be dissolved either by the expiration of such Real Estate Fund's term or otherwise. For example, a Real Estate Fund may hold an interest in one or more properties that are still under construction or are otherwise not sold prior to the date on which such Real Estate Fund will be dissolved, either by expiration of such Fund's term or otherwise, or to the extent of any debt investments, may hold outstanding loans with a maturity date later than such dissolution date. As a result, a Real Estate Fund

may have to sell, distribute or otherwise dispose of assets at a disadvantageous time as a result of meeting the timing for dissolution. Further, investments distributed in-kind may be illiquid and there can be no assurance that any Investor will be able to dispose of them at the value determined in accordance with a Real Estate Fund's Governing Documents.

Insufficient capital for follow-on investments. Following its initial investment in a real estate-related asset, a Real Estate Fund may have the opportunity to increase its investment or may be asked to provide additional funds to such real estate-related asset. The amount of additional investment needed will depend upon the circumstances of the particular investment. There is no assurance that any Real Estate Fund will make follow-on investments or that any Real Estate Fund will have sufficient resources to, or be permitted to, make such investments. Any decision not to make follow-on investments or a Real Estate Fund's inability to make them may have a substantial negative impact on a real estate-related asset in need of such an investment, may result in missed opportunities for such Fund or may result in dilution of such Real Estate Fund's investment. Further, there can be no assurance that Alpaca VC will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Insurance coverage may not cover all losses. The Real Estate Funds intend to maintain suitable comprehensive insurance coverage for their respective assets and, as needed, related properties, and business operations, in each case as appropriate for the markets in which such assets and properties and business operations are located. The insurance coverage contains policy specifications and insured limits customarily carried for similar assets, properties, business activities and markets. However, there are certain losses, including losses from floods, earthquakes, acts of war, acts of terrorism and riots, that generally are not insured against or that generally are not fully insured against because it is not deemed to be economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to one or more of a Real Estate Fund's properties, such Real Estate Fund could experience a significant loss of capital invested in the properties as well as a loss of potential revenue from the properties and could potentially remain obligated under any recourse debt associated with the properties.

Litigation. In the ordinary course of their business, the Real Estate Funds may be subject to litigation from time to time both as a plaintiff and as a defendant. The expense of defending against claims made against a Real Estate Fund, a General Partner, Alpaca VC and/or their respective principals and affiliates by third parties and paying any amounts pursuant to settlements or judgments would be borne by the applicable Real Estate Fund to the extent that (a) such Real Estate Fund has not been able to protect itself through

indemnification or other rights against the investment entity, (b) such Real Estate Fund is not entitled to such protections or (c) the investment entity is not solvent.

Litigation may also be commenced with respect to an asset acquired by a Real Estate Fund or its subsidiaries in relation to activities that took place prior to such Real Estate Fund's acquisition of such property. In addition, at the time of disposition of any asset, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favor of another as part of a Real Estate Fund's efforts to maximize sale proceeds. Similarly, successful buyers may later sue a Real Estate Fund under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence. A Real Estate Fund may also be exposed to litigation resulting from the activities of tenants or customers.

The outcome of any proceedings involving a Real Estate Fund or its investments may materially adversely affect such Real Estate Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of a General Partner's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Under its Governing Documents, a Real Estate Fund will generally be responsible for indemnifying its General Partner and related parties for costs they may incur with respect to such litigation not covered by insurance.

Potential environmental liability. Real property and real estate-related assets are subject to federal and state environmental laws, regulations and administrative rulings that, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. Owners of real property and real estate-related assets are subject to federal and state environmental laws that impose joint and several liability on past and present owners and users of such assets for hazardous substance remediation and removal costs, often without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. Accordingly, there may be exposure to substantial risk of loss from environmental claims arising in respect of any property with undisclosed or unknown environmental problems or as to which inadequate reserves have been established. The Real Estate Funds cannot give any assurance that such conditions do not exist or may not arise in the future, and the presence of such substances on the Real Estate Funds' investments could adversely affect its ability to sell such investments or to borrow using such investments as collateral.

Possibility of future terrorist activity. The assets in which the Real Estate Funds invest may be located in or near major metropolitan areas of the United States. Such assets, or the areas in which they are located, could be subject to future acts of terrorism. In addition to the potential direct impact of any such future act, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the U.S. financial and insurance markets and economy. It is not possible to predict the severity of the effect that such future events would have on the U.S. financial and insurance markets and economy or the properties in which the Funds' investments operate. These events may have a negative effect on the business and performance results of the properties in which the Real Estate Funds' investments operate, including by raising insurance premiums and deductibles and limiting available insurance coverage.

Potential for competing properties. Given Alpaca VC's broad involvement in the U.S. commercial real estate market, it is likely that properties held by any Real Estate Fund may compete within a particular geographic market for tenants with other properties owned and/or managed by a Real Estate Fund, Alpaca VC or other clients of Alpaca VC or its affiliates.

Management Risks

Dependence on the management team. The Funds will be dependent on the activities of the Investment Team and will be particularly dependent upon the individual managing members. The General Partner will have sole discretion over the investment of the capital committed to a Fund, as well as the ultimate realization of any profits. As such, the pool of funds in a Fund represent a blind pool of funds. Therefore, a Fund and the investors of such Fund will be relying on the management expertise of the managing members and the other members of the Investment Team in identifying, acquiring, administering and disposing of a Fund's investments. Past investment performance by members of the Investment Team or of a prior Funds provides no assurance of future results, and there can be no assurances that a Fund will be able to duplicate prior levels of success of a member of the Investment Team or such prior investment vehicles. The loss of any individual managing member or another member of the Investment Team could have a material, adverse effect on a Fund. Additional members may be admitted to the General Partner following a Fund's initial closing, and a Fund's investors will have no power to prevent any specific person from being admitted to the General Partner as a member thereof. If for any reason one or more of the managing members or another member of the Investment Team should cease to be involved in the investment management of a Fund, suitable replacements may be difficult to obtain, with the result that the performance of a Fund may be adversely affected. In addition, certain Funds are the first private fund sponsored

by the managing members to focus on late growth-stage and real estate opportunities, and certain members of the Investment Team have limited experience investing in this sector.

There is no assurance that Alpaca VC will remain the manager of a Fund or that the Funds will continue to have access to Alpaca VC's principals and professionals. If a management agreement is terminated and no suitable replacement is found to advise the applicable Fund, such Fund may not be able to execute its business plan or investment strategy.

Lack of prior management history. Certain Funds and the General Partner of such Funds are newly-created entities with no prior operating history. It is possible that additional management resources, in the form of additional analysts or other investment professionals, will be required in order for such Funds to fully implement its investment and exit strategies. There can be no assurance that each of the investment professionals currently associated with the Firm will continue to be associated with a Fund and the General Partner throughout a Fund's anticipated term.

Other activities. The members of the management team and their affiliates will be required to devote only such portion of their time to the affairs of the Funds as they consider appropriate in their respective judgment to manage effectively the affairs of the Funds. Other activities of affiliates of the General Partners with which such personnel are associated, or with which they may become associated in the future, may require them to devote substantial amounts of their time to matters unrelated to the business of the Funds.

Indemnification. The Funds will be required to indemnify the General Partners, their partners, members, employees, agents, affiliates of the foregoing and the members of the Funds' Advisory Committee for liabilities incurred in connection with the affairs of the respective Fund. Such liabilities may be material and have an adverse effect on the returns to the investors. For example, in their capacity as directors of portfolio companies of a Fund, a person may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of such Fund would be payable from the assets of the Fund, including the unpaid capital commitments of the investors. If the assets of a Fund are insufficient, the respective General Partner may recall distributions made to the investors. Furthermore, the Governing Documents limit the circumstances under which a General Partner may be held liable to the respective Fund or its investors. As a result the investors may have a more limited right of action in certain cases than they would in the absence of such a limitation.

Employee misconduct. A General Partner's reputation is critical to maintaining and developing relationships with existing and prospective investors, as well as with the

numerous third parties with which such General Partner or a Fund does business. In recent years, there have been a number of highly publicized cases involving fraud, conflicts of interest or other misconduct by individuals in the financial services industry, and there is a risk that an employee of or contractor to the General Partners or any of their affiliates could engage in misconduct that adversely affects the investment strategies implemented by the General Partners and the actual realized returns of investors. It is not always possible to deter such misconduct, and the precautions the General Partners take to detect and prevent such misconduct may not be effective in all cases. Misconduct by an employee of or contractor to the General Partners, or a portfolio company of the Funds, or of any of their respective affiliates, or even unsubstantiated allegations of such misconduct, could result in both direct financial harm to the General Partners and the Funds, as well as harm to the reputations of the General Partners and the Funds, which would have a materially adverse effect on the Funds.

Systems risks. The Funds will depend upon their applicable General Partner to develop and implement appropriate information systems for the Funds' activities. In addition, certain of the General Partners' operations will interface with or depend on systems operated by third parties, including market counterparties and their sub-custodians and other service providers, and the General Partners may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on the Funds. For example, such failures could cause inaccurate reports, which may affect a General Partner's ability to monitor the applicable Fund's investment portfolio and its risks. In addition, despite the security measures established by the General Partners and third parties to safeguard its and their respective systems, including the information therein, such systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise these systems and result in the theft, loss or public dissemination of the information stored therein and could have a material adverse effect on the applicable Fund.

Reliance on technology. Certain strategies and critical aspects of the General Partners' operations are reliant on technology, including hardware, software and telecommunications systems. Significant parts of the technology used in the management of the Funds may be provided by third parties and are therefore beyond a General Partner's direct control. Forecasting, trade execution, data gathering, risk management, portfolio management, IT infrastructure and support, compliance and accounting systems all are designed to depend upon a high degree of automation and computerization. Although the General Partners seek, on an ongoing basis, to ensure adequate backups of

software and hardware where possible and the General Partners will attempt to conduct adequate due diligence and monitoring of providers, if such efforts are unsuccessful or inadequate, software or hardware errors or failures may result in errors, data loss and/or failures in trade execution, risk management, portfolio management, compliance or accounting. Errors or failures may also result in the inaccuracy of data and reporting or the unavailability of data or vulnerability of data to the risk of loss or theft. Errors may occur gradually and once in the code may be very hard to detect and can potentially affect results over a long period of time. If an unforeseeable software or hardware malfunction or problem is caused by a defect, virus or other outside force, the Funds may be materially adversely affected. In particular, the General Partners may rely on cloud (including private and public cloud-based) technology for certain operations, including data storage. Cloud-based technology, like any electronic data storage or processing technology, is not fail-safe. It may be subject to certain defects, failures or interruptions of service beyond the General Partners' direct control. It is also possible that such technology could be compromised by a third party, including through the use of malicious software or programs, such as viruses, which may expose the General Partners and the Funds to theft (of data or other assets) and/or significant business interruption. In addition, a software provider may cease operations or be relatively thinly capitalized and the General Partners' and the Funds' ability to be made whole after any loss may be compromised as a result.

Cyber security, breaches and identity theft. Cyber security incidents and cyberattacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The General Partners' and their service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches (by physical or electronic means), usage errors by their respective users or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information. Although the General Partners have implemented, and service providers may implement, various measures to manage risks relating to these types of events, such systems could be inadequate and, if compromised, could become inoperable for extended periods of time, or cease to function properly or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. The General Partners may have to make a significant investment to fix or replace any inoperable or compromised

systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the General Partners' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors) and the intellectual property and trade secrets of the General Partners. Such a failure could harm the General Partners' reputation, subject the General Partners and their affiliates (including the Funds) to legal claims and otherwise affect their business and financial performance.

Risks relating to special purpose acquisition companies. A special purpose acquisition company (a "SPAC") is a publicly traded company formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Following the acquisition of a target company, a SPAC typically would exercise control over the management of such target company in an effort to increase the value of such target company. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust until the target company is acquired or a pre-determined period of time elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired and such target company's value increased. In the event that a SPAC is unable to locate and acquire target companies by the deadline, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire target companies by the deadline, (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, (iii) such SPAC may be exempt from the rules promulgated by Securities and Exchange Commission to protect investors in "blank check" companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business, (v) the value of any target company may decrease following its acquisition by such SPAC, (vi) the value of the funds invested and held in the trust decline, (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, most SPACs are illiquid and have a concentrated shareholder base that tends to be composed of hedge funds (at least at inception).

The Funds may invest in a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In such circumstances, there may be limited basis for a Fund to evaluate the possible merits or risks of such SPAC's investment in any particular target business. To the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

In the future, the Firm and/or its affiliates may sponsor one or more SPACs and, in connection therewith, may receive management shares in such SPACs, and for the avoidance of doubt, any amounts earned with respect thereto will not reduce the management fee or be for the benefit of the applicable Fund except to the extent provided in the Governing Documents. The issuance of management shares would have an indirect dilutive effect on the interests of the entity (e.g., a private fund) investing in the SPAC. Based on the investment strategy typical for a SPAC, such activity will not be subject to the restrictions on the formation of a successor fund or the outside investment activity restrictions set forth in the Governing Documents. Conflicts may arise as a result of such activities, including in the event that any such SPAC enters into a transaction with a portfolio company of a Fund, in the event that such Fund determines to make an investment or commit to make an investment in the future alongside the SPAC, or in allocating Investment Team time.

In particular, if a Fund commits to invest in a Firm-sponsored SPAC's initial public offering, conflicts of interest arise with respect to the "at-risk" capital (described below) and receipt of management shares which, as discussed above, will not reduce the management fee. In order to launch a SPAC, it is necessary for a SPAC's sponsor to commit "at-risk" capital at the time of the initial public offering, which the sponsor loses if an initial business combination ("IBC") is not consummated. If the Firm or an affiliate commits to fund this "at-risk" capital, the Firm or such an affiliate could be incentivized to pursue a deal to avoid losing the "at-risk" capital. Additionally, the management shares will only have value to the extent an IBC is consummated. Investment by a Fund in the SPAC (or a commitment by a Fund to invest in the SPAC) indirectly benefits the Firm or its affiliate as the sponsor of the SPAC as such investment/commitment increases the likelihood of a successful IBC by providing committed capital for the IBC. In addition, if a Fund invests in a Firm-sponsored SPAC, in addition to its receipt of management fees and carried interest, the Firm or an affiliate would also have an interest in the management shares in the SPAC, which could act as a dual layer of fees/expenses borne by such Fund.

Additional potential conflicts of interest arise if the IBC is between a Firm-sponsored SPAC and a portfolio company of a Fund. The sponsor of a SPAC is incentivized to find a target for an IBC to avoid loss of “at-risk” capital, the sponsor is incentivized to find a target for the IBC in order for the management shares to have value, and the Firm or an affiliate would likely receive carried interest upon the sale of the portfolio company to the SPAC. All of these factors would incentivize the Firm to consummate an IBC, including with a Fund portfolio company.

Legal, Tax and Regulatory Risks

Special Risks

Effects of health crises and other catastrophic events. Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, may have an adverse effect on the Funds’ investments and operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for a Fund’s portfolio companies. In addition, under such circumstances the operations of the Funds and their service providers could be reduced, delayed or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

Public health risks and COVID-19. Epidemics and pandemics may materially and adversely affect the global economy and a Fund’s performance. A new infectious disease first identified in Wuhan, Hubei Province, China in late December of 2019 (resulting from coronavirus 2019 and abbreviated “COVID-19” by the World Health Organization), has spread rapidly across much of the world, including the United States, leading to restrictions on travel and group activities. It is unknown how global supply chains, public and private capital markets and portfolio companies will be affected by the COVID-19 pandemic, particularly if it persists for an extended period of time. The spread of COVID-19 may cause portfolio companies to lose revenue and incur additional expenses and delays, thereby leading to a material adverse impact on their businesses, operating results and financial condition. In addition, the COVID-19 pandemic may reduce portfolio companies’ access to equity or debt investment capital, or cause the terms pursuant to which such capital is available to be substantially less favorable than is customary, thereby leading to a material adverse impact on such portfolio companies’ businesses, operating results and financial condition, as well as a material adverse impact on a Fund’s relative position in portfolio

company capital structures and potential investment returns. If unabated, the COVID-19 pandemic may create significant global economic uncertainty, which in turn may cause portfolio companies or their partners, suppliers and potential customers, to more closely monitor costs and reduce spending budgets, and may cause portfolio company equity investors or debt providers to reduce, slow or eliminate their investment or lending activities. The availability of investment opportunities of the Funds may be adversely impacted by reductions of economic activity as a result of COVID-19, including as a result of the responses of businesses and local and national governments. The impact of COVID-19 could be significant on markets in which the Funds invest, which could affect the availability, valuations, and returns of the Funds' portfolio investments. The extent to which COVID-19 impacts a Fund's results will depend on future developments, which cannot be predicted with any certainty, including new information which may emerge concerning the severity of COVID-19, the ultimate geographic spread of COVID-19, the duration of the pandemic, travel restrictions imposed, business closures or general business disruption, and the actions taken throughout the world, including in domestic markets, to contain COVID-19 or treat its impact. As a result, the performance of a Fund and such Fund's portfolio companies could be adversely affected.

Economic & political risks. Governments of many foreign countries have exercised and continue to exercise substantial influence over many aspects of the private sector. The availability of investment opportunities for the Funds depends in part on governments outside of the United States continuing to liberalize their policies regarding foreign investment and to further encourage private sector initiatives. Accordingly, future government actions could have a significant effect on the economic environment in such countries, which could affect the availability, purchase price, and returns of portfolio investments.

Foreign currency & exchange rate risks. Fund assets and income of investments made outside of the United States may be denominated in various currencies. Contributions and cash and United States in-kind distributions, however, will be denominated in U.S. dollars. The Funds may distribute in-kind securities that are denominated in various currencies pursuant to each Fund's Governing Documents. As a result, the returns of the Funds on any investment may be adversely affected by fluctuations in currency exchange rates, any future imposed devaluations of local currencies, inflationary pressures, and the success of the investment itself. As a general policy, the Funds do not intend to engage in hedging against currency risk. In addition, the Funds may incur costs in connection with conversions between various currencies.

Accounting and disclosure standards. Accounting, auditing, financial, and other reporting standards, practices, and disclosure requirements in countries in which a Fund may invest are not necessarily equivalent to those required under United States Generally Accepted Accounting Principles ("US GAAP") or International Accounting Standards ("IAS"). Accordingly, less information may be available to the General Partners and investors in the Funds.

European Union Directive on Alternative Investment Fund Managers (AIFMD). On July 21, 2011, the European Union ("EU") Directive on Alternative Investment Fund Managers (the "Directive") came into force. Among other things, the Directive regulates the marketing in the EU and the United Kingdom by a manager of an alternative investment fund (the "AIF"), regardless of whether the manager or the AIF is established in the EU or elsewhere. Furthermore, the Directive imposes new regulatory obligations on certain managers in respect of their activities and the AIFs that they manage.

The implementation of the Directive may have an adverse effect on the marketing and continued operation of the Funds in the event the General Partners market the Funds in jurisdictions subject to the Directive. Certain aspects of the Directive will be phased in over a number of years, and during this period each member of the EU and related jurisdictions may revise its private placement laws. The detailed impact of the Directive on the marketing and operation of a Fund will not be known until the specific EU and related jurisdictions in which the applicable General Partner markets such Fund (if any) have been definitively identified.

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 Alpaca VC. Prospective investors should read the entire Brochure of an Alpaca VC Fund as well the relevant Governing Documents, and any other materials that may be provided by Alpaca VC and consult with their own advisers prior to engaging Alpaca VC's services.

Item 9 – Disciplinary Information

Alpaca VC 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 Alpaca VC 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 Alpaca VC 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

As described in Item 4, the Firm is affiliated with the General Partners and the relying investment advisers. The Firm serves as the investment manager to the Funds, and each General Partner and certain relying investment advisers receive carried interest-based compensation from the respective vehicle. Certain of the Firm's partners, officers, employees, affiliates, and their respective family members may invest directly in the Funds. Investments in the Funds made by these persons may not be subject to the management fees and/or carried interest-based compensation described in Item 5 above.

Alpaca VC's employees or other supervised persons work on and may in the future work on other projects and outside activities (other than for Alpaca VC), including projects for their personal benefit, which may be investment advisory in nature. Due to their outside activity, such individuals will not be able to devote all of their time to the Funds and may be compensated for their activities. The Funds generally will receive no benefit from the services such individuals provide to others. Such individuals may also become aware of business opportunities in which the Funds will not be given an opportunity to participate.

Employees of the Firm may serve as directors and officers of certain portfolio companies, including SPACs formed or sponsored by Funds, and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders, and consider the best interests of the Funds. In certain circumstances, for example, involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Funds that are shareholders, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of the Firm and such individual's duties as a director or officer of such portfolio company or SPAC. Alpaca VC has created policies that address and manage these and other potential conflicts.

Conflicts and disclosures related to Alpaca VC's engagement of Advisors is described in Item 8 – "Certain Consultants" and Item 8 – "Advisor Roles or Equity Interest".

If Alpaca VC decides not to invest in an opportunity presented to Alpaca VC by Advisors, Advisors may form, and have formed in the past, unaffiliated special purpose vehicles to invest in the opportunity. In addition, if a portfolio company in which Alpaca VC has taken its full allocation has additional capacity available in its fundraising round, the portfolio company may offer the opportunity to Advisors who may form, and have formed in the past, special purpose vehicles to invest in the opportunity. These special purpose vehicles are formed and managed by the Advisor and are unaffiliated with Alpaca VC and the Funds. The direct investments are negotiated by the Advisors separately with the portfolio company. Such investments are typically made by the Advisors on different terms than the Funds, some of which may be more beneficial to the special purpose vehicles managed by the Advisors than the Funds. Advisors may be offered the opportunity by the portfolio company to invest in the securities of the portfolio company due to their affiliation with Alpaca VC. Conflicts could arise, for example, when an Advisors provides Services to the portfolio company and the same Advisor is managing an unaffiliated special purpose vehicle invested into the same portfolio company. The Advisor could be presented with decisions made as part of the Services on behalf of a Fund and the special purpose vehicle the Advisor are in conflict.

A Fund will make investments in portfolio companies that compete in the same industry as portfolio companies held by that Fund or another Fund. Conflicts could arise, for example, in the event where Alpaca VC is in a position to make decisions on behalf of a portfolio company that would be adverse to a portfolio company in the same Fund or another Fund. Relationships developed in connection with one or more Funds can result in deal flow for other Funds. A Fund may also make investments in the same portfolio companies held by other Funds. Conflicts could arise, for example, in the event that more than one Fund holds different securities in the same portfolio company (including with respect to their relative seniority, and whether such securities are purchased contemporaneously or otherwise). Alpaca VC could be presented with decisions when the interests of the two Funds are in conflict. If a portfolio company in which one Fund has an equity investment and another Fund has a debt investment, Alpaca VC may have conflicting loyalties between its duties for one Fund versus another Fund. In that regard, actions may be taken for one Fund that is adverse to such other Fund.

Alpaca VC and its affiliates may receive and have received services, products, and/or discounts from the portfolio companies (or their related persons) for their own business operations or other outside business activities. Fees and expenses for such arrangements

are negotiated on an arms-length basis. However, since certain of the Funds may have an investment with such portfolio company, using such service presents a conflict of interest.

For example, the receipt of such services, products, and/or discounts from a portfolio company may influence Alpaca VC's investment decisions, presenting a conflict between Alpaca VC's economic interest and what is in the best interests of the Funds.

Alpaca VC and its affiliates may in the future enter into transactions in the ordinary course with a portfolio company (for example, without limitation, providing non-discretionary advisory services to a fund where the portfolio company serves as the investment adviser, in which Alpaca VC or its affiliates earn a management fee and/or carried interest for its sub-advisory services). In addition, Alpaca VC and its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). These situations create a conflict of interest, as such interests may be a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund). Alpaca VC seeks to mitigate such conflicts by making all investment decisions in a manner consistent with the Firm's investment allocation policies and procedures.

Alpaca VC may introduce and has introduced a portfolio company (or a related person) in which a Fund has invested to a portfolio company (or a related person) in which another Fund has invested, and such portfolio companies (or their related persons) may do, or have done, business with each other, which may be viewed as a potential conflict of interest. Alpaca VC may cause or recommend, and have caused or recommended, that a Fund or portfolio company use a particular service provider (including related persons of investors, co-investors, or third parties) for which Alpaca VC may or have obtained, for a Fund or portfolio company or for Alpaca VC or its affiliates, products and services from such service provider. In connection with such referrals of service providers, Alpaca VC or its affiliates, the Funds, or the portfolio companies may also receive, or have received services, at no cost or at a discount. Such relationships or discounts may incentivize Alpaca VC to recommend such service providers, presenting a conflict between Alpaca VC's economic interest or its interest in maintaining such relationships and what is in the best interests of the Funds (e.g., using high quality or low-quality service providers).

Alpaca VC has in the past and may in the future offer certain strategic investors the ability to participate in Alpaca VC-sponsored educational presentations and seminars, networking events, industry group meetings, and corporate introductions, which may not be offered to all investors. Participation in such events may provide access to information not available to other investors, and the participating investor may use such information

to make investment decisions (including, without limitation, increasing their capital commitments, participating in co-investments, making outside investments or dispositions, or entering into hedging transactions designed to offset exposure to investment positions taken by a Fund) based on information not generally available to other limited partners. In some cases, such investment decisions made by these participating investors on the basis of such information could adversely affect the market value of a Fund's portfolio and therefore the value of a Fund's interests.

Alpaca VC may form certain co-investment vehicles or special purpose vehicles and offer, in its sole discretion, an investment in such vehicles to certain strategic investors to induce investment into or induce investment of additional amounts in other Funds or for other strategic reasons. These opportunities to invest in such co-investment or special purpose vehicles may not be offered to other investors. Alpaca VC, in its sole discretion, may waive or reduce the management fees or carried interest payable by such investors in the Funds, co-investment vehicle, special purpose vehicle being offered. Such offers give rise to conflicts of interest as described more fully in Item 8. – "Allocation of investment opportunities between the investment funds." Alpaca VC seeks to mitigate such conflicts by making all investment decisions in a manner consistent with the Firm's investment allocation policies and procedures.

Alpaca VC and its affiliates will deal with all conflicts of interest using their best judgment. Certain procedures for resolving specific conflicts of interest are set forth below; however, Alpaca VC will not necessarily follow such procedures in any particular case. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- A Fund will not make an investment unless the Firm believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund.
- Many conflicts of interest will generally be resolved by set procedures, restrictions, or other provisions contained in the relevant Fund Governing Documents or Alpaca VC's policies.
- Generally, each Fund has established an advisory committee, consisting of representatives of investors not affiliated with Alpaca VC. The advisory committees meet as required to consult with Alpaca VC as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, Alpaca VC will be guided by its good faith discretion.
- Where Alpaca VC deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price.

D. Selection of Other Advisors or Managers

Alpaca VC 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

Consistent with the requirements of Rule 204A-1 of the Advisers Act, Alpaca VC has adopted a Code of Ethics (the "Code") which sets forth standards of conduct that are expected of Alpaca VC's "access persons," as defined in the Advisers Act, and address conflicts that arise from personal trading. The standard of business conduct set forth in the Code takes into account the Firm's status as a fiduciary to its clients and requires the Firm's employees and other access persons to place the interests of the Firm's clients above their own interests and the interests of the Firm.

In serving its clients, the Firm strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of an access person and client securities transactions. When access persons 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 the Firm's clients must be put above those of the individual; (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.

Access persons have trading restrictions and reporting obligations for their personal securities transactions. Each access person is provided with a copy of the Code and must annually certify that they have complied with its provisions. In addition, any access person who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Alpaca VC 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 Alpaca VC at the address on the cover page to this Brochure.

B. Advisory Committee

A limited partner advisory committee has been and/or may be established for or with respect to one or more of the Funds. While the Advisory Committee does not have a direct role in the management of any applicable Fund, it may be called upon or required to, among other things, review, resolve and/or consent to or approve certain transactions or

matters involving actual or potential conflicts of interest or consider or approve such other matters or transactions in accordance with the applicable Governing Documents. In particular, an Advisory Committee of a Fund generally may give any approval or consent of the "client" required under the Advisers Act, including Sections 205(a) and 206(3) thereof. We may also disclose or otherwise present our proposed course of action with respect to any actual or potential conflicts of interest to the relevant Advisory Committee or otherwise disclose information relating to perceived conflicts of interest to the Advisory Committee.

We prepare materials, disclosures, memos and/or presentations for an Advisory Committee with respect to any matters or transactions requiring their review, disclosure, consent or approval and Advisory Committee consents or approvals are generally documented via written or email communications. We may also prepare materials, disclosures, memos and/or presentations for an Advisory Committee that may not relate to any matters or transactions requiring their review, disclosure, consent or approval.

C. Recommendations Involving Material Financial Interests

Under certain circumstances, Alpaca VC may recommend that a Fund invest in companies in which Alpaca VC affiliates or employees have an ownership interest. There may be situations in which an Alpaca VC employee or affiliate either has an existing minimal investment or will be making a minimal investment contemporaneously with a Fund (e.g., angel investment) in a portfolio company that a Fund may seek to invest in. Accordingly, there is a potential conflict which could cause the Firm to make different investment decisions than if such persons did not have a financial ownership interest. Any investment decision made on behalf of the Funds are made in their best interest and in accordance with the Firm's investment allocation policy and the Funds' Governing Documents. Alpaca VC has created policies that specifically address and manage these and other potential conflicts.

To the extent permitted by applicable law, we, acting on behalf of one or more client accounts, may enter into transactions in portfolio companies, securities, financial instruments, properties and other assets with ourselves or our affiliates, and may cause client accounts to engage in principal and cross transactions, including, for example, where an investment in an asset has been bridged or otherwise warehoused by Alpaca VC and its affiliates prior to purchase by such Fund. Alpaca VC and its affiliates may retain income and may otherwise profit from such transactions. Alpaca VC will, to the extent required by applicable law and/or the applicable governing documents, obtain the prior consent of the applicable Fund for such transactions. We may face conflicts of interest that could influence our decision to engage in such transactions for client accounts. Principal transactions may occur if we, on behalf of our client accounts, engage in a transaction in

securities or other investments with ourselves acting as principal. We may earn compensation and/or make profits in connection with these transactions. Cross transactions may occur if we cause a client account to buy securities or other investments from, or sell securities or other investments to, another client account or the account of one of our affiliates. We may have conflicting loyalties and responsibilities to the parties in such transactions. We will review each of the foregoing transactions and take such steps as we deem necessary or appropriate under the circumstances (in accordance with applicable law and the applicable governing documents) to ensure that the terms of transactions are fair and reasonable, including, without limitation, seeking the approval of the client or the applicable Advisory Committee, a majority in interest of the investors or an independent third party with respect to such principal and/or cross transaction.

D. Investing Personal Money in the Same Securities as Clients

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

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.

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

As discussed above, from time to time, the Firm, its employees, or affiliates may hold existing interests in portfolio companies that the Firm recommends to the Funds. The Firm will document any transactions that could be construed as conflicts of interest and will transact Fund business before the business of its employees and/or Alpaca VC affiliates when similar securities are being bought or sold.

The Funds or Alpaca VC and their respective affiliates may enter into side letters, letters of understanding or similar arrangements granting investors or third parties different rights, terms or conditions (including, without limitation, reductions in management fees, performance compensation, withdrawal, transparency, expenses, revenue share, reporting, "most favored nations", indemnification and exculpation or other preferential terms, such as access to co-investment opportunities) without notice or consent of other investors. No

side letter provided to an investor or a third party by a Fund or us or any of our affiliates will necessarily entitle any other investor or third party (who do not otherwise also have in place side letters) to the rights granted in such side letter.

Item 12 – Brokerage Practices

A. Factors Used to Select or Recommending Broker-Dealers

The Funds primarily invest in private placement securities that are not offered or transacted through a broker-dealer. In limited circumstances where the Funds may transact in publicly traded or other securities, such trades may be entered and executed through one or more broker-dealers. The Firm will seek to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the Funds.

B. Brokerage for Client Referrals

Alpaca VC does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. Alpaca VC may receive referrals in the future and if it does it will appropriately amend this Brochure.

C. Directed Brokerage

Alpaca VC does not accept directed brokerage arrangements.

D. Aggregating Trading for Multiple Client Accounts

The Funds primarily invest in private transactions that are not executed on an exchange and typically does not utilize broker-dealers in carrying out transactions. In the limited circumstance where more than one Fund holds a public stock position in the same security and the Firm seeks to sell the holding, the Firm will seek best execution and evaluate on a case-by-case basis whether aggregating the sale of securities for the various Funds is in their best interest and 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 Firm on behalf of its clients are generally private, illiquid, and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Firm closely monitors companies in which its clients invest, and its policies require a review of client portfolios no less than annually to confirm that each portfolio is maintained in accordance with its stated objectives.

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

Client portfolios can be reviewed more frequently if triggered by industry, economic, market, or political conditions.

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

Alpaca VC may retain third party placement agents for referring investors to the Funds. Placement agent fees are typically a percentage of capital commitments. Due to such compensation, the third-party placement agents have an incentive to endorse the Funds, resulting in a material conflict of interest. Required disclosures under Advisers Act Rule 206(4)-1, including a description of the compensation and material conflicts of interest, will be provided to the investor at the time the placement agent disseminates the advertisement, as defined under the rule.

Item 15 – Custody

Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) provides that because Alpaca VC and its affiliates are the general partners of the Funds, they are deemed to have custody of Fund assets, even though independent custodians physically hold those assets. Under the Custody Rule, having custody of client assets creates certain obligations for the Firm. The Firm satisfies these obligations by either (1) providing investors with audited financial statements that meet certain requirements as specified in the Custody Rule within 120 days of fiscal year end or (2) undergo an independent surprise examination by an independent public accountant at least annually.

The Firm does not have custody over funds managed by third-party investment advisers.

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 each Fund’s Governing Documents. The Firm may enter into any type of investment transaction and employ any investment methodology that is not restricted by

the Fund's Governing Documents. The Firm also provides non-discretionary advisory services to funds managed by third-party investment advisers.

Item 17 – Voting Client Securities

Alpaca VC invests in the securities of private companies and therefore does not typically vote proxies on behalf of its clients. If clients should be solicited to vote a proxy, the Firm will vote any such proxies in the best interests of its clients.

Item 18 – Financial Information

Alpaca VC does not require nor solicit prepayment of more than \$1,200 of management fees per client, six months or more in advance; has no financial condition reasonably likely to impair its ability to meet contractual commitments to clients; and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Not applicable.