

Item 1: Cover Page

# Millennium TVP Management Co., LLC

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**Part 2A of Form ADV: Firm Brochure  
March 2023**

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## Item 2: Material Changes

Since the submission of the prior brochure, in March 2022, two material changes are referenced in the current submission: 1) the creation of a new management company which manages one private equity fund separate from the Advisor, and 2) the liquidation and dissolution of one private equity fund as outlined in Item 4. Aside from those updates, there are no other material changes from the March 2022 submission.

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## Item 4: Advisory Business

### **ADVISORY BUSINESS AND STRATEGY**

Millennium TVP Management Company, LLC (“TVP Management”) is a Delaware limited liability company, which, together with its affiliated management company, Millennium TVP Management Services, L.P. (“TVP Management Services”), a Delaware limited partnership, provides advisory services to six private equity funds (the “Millennium Funds”) which are exempt from registration under the Investment Company Act of 1940 (the “Act”), and whose securities are not registered under the Securities Act of 1934, as amended (the “Securities Act”). TVP Management Services and TVP Management (collectively acting as “Millennium” or the “Firm”), function together primarily as a New York-headquartered investment advisor to the Millennium Funds.

Millennium provides investment advisory services to each of the Millennium Funds, which are subject to direction and control of the affiliated General Partner of such Millennium Funds.

The Millennium Funds have a general broad mandate and flexibility to invest across various sectors and geographies subject to certain limitations as outlined in each Millennium Fund Limited Partnership Agreement (LPA). However, most of the Portfolio Companies in the Millennium Funds are considered by most investors to be technology companies, or companies that benefit from a significant technology component. Managing Partners Samuel L. Schwerin and Daniel L. Burstein (collectively, the “Principals”) have been successfully executing Millennium's strategy for over 20 years.

The Millennium Funds have made investments over the years in a variety of modes--including not only secondary liquidity-oriented investments, but primary investments, loans, IPOs of portfolio companies, and public market investments.

### **SECONDARY AND ALTERNATIVE LIQUIDITY/PRIMARY FINANCINGS**

As time to liquidity via IPO or M&A continues to extend, many companies are coming to recognize the benefit of an institutional approach to shareholder liquidity. Millennium works closely with companies to implement liquidity programs designed to meet the strategic needs of management, shareholders, and boards of directors. Over the last decade, Millennium has emerged as a leader and innovator in alternative liquidity solutions based on its extensive track record in this format. Millennium also makes primary investments into companies in the technology sector.

Millennium manages six (6) private equity funds (the “Millennium Funds”), all of which invest utilizing the above-described strategies:

- Millennium Technology Value Partners, L.P.
- Millennium Technology Value Partners (RCM), L.P.
- Millennium Technology Value Partners II, L.P.
- Millennium Technology Value Partners II-A, L.P.
- Millennium NWS Holdings (Deep Instinct), LLC
- Millennium New Horizons (DI), LLC

The Millennium Funds manages \$224,871,398 in regulatory assets under management, as listed on its Form ADV Part 1.

During 2022, Millennium liquidated and dissolved one (1) private equity fund, Millennium New Horizons (Unqork), LLC. Additionally, effective January 2, 2023, Millennium New Horizons I, L.P. is managed by Millennium New Horizons Management, LLC, (New Horizons Management) an affiliate of TVP Management Services and TVP Management.

Samuel L. Schwerin and Daniel L. Burstein began investing using this strategy in 2002. TVP Management was formed in late 2004 as part of the infrastructure for creating Millennium Technology Value Partners L.P, which held its final close in 2006. This was followed by Millennium Technology Value Partners II, L.P., which closed in 2010.

TVP Management has been in business for approximately sixteen years, and currently employs five individuals, including four investment professionals, who have significant previous investment experience, resulting in a strong team with relevant experience. TVP Management Services was formed as a Relying Advisor in 2016 as part of an internal restructuring to combine the operations of all funds under two entities. Samuel L. Schwerin is the principal owner of Millennium, and no change in ownership has resulted from the restructuring. Millennium New Horizons Management was created in 2023, with TVP Management as a minority owner.

## Item 5: Fees and Compensation

As compensation for investment advisory services to the Millennium Funds, a Management Fee is payable quarterly and in advance by each respective Millennium Fund to TVP Management Services which shares its investment advisory service responsibilities with TVP Management. The Management Fee is charged to the Limited Partners of each Millennium Fund in accordance with its Limited Partnership Agreement (LPA). In general, Management Fees are based on a percentage of Limited Partner Capital Commitments, net of any reductions described in the manner below (the "Management Fee").

### **MANAGEMENT FEES**

Management Fees are charged to Limited Partners starting from the date when investment activities of the Millennium Fund commence and continuing through the investment period based on a percentage of aggregate Limited Partner Commitments, regardless of when a Limited Partner is actually admitted to the Fund. Subsequent to the investment period, in accordance with each LPA, the Management Fee may be based upon a reduced percentage of Limited Partner Commitments or another arrangement as specified in each LPA. Management Fees payable by each Millennium Fund will be reduced by any fees received (outlined further below) by its respective Management Company.

All Management Fees received by Millennium are used to support the operation of TVP Management. TVP Management pays certain operating expenses, including salaries, rent, utilities, communications, office supplies, travel, and any other operating expenses that are not treated as expenses to be borne by the Millennium Funds (as defined in each particular Limited Partner Agreement).

A portion of the Management Fee may be waived or reduced by Millennium in its sole discretion, in connection with investments made by the General Partners of the Millennium Funds.

## **OTHER FEES**

Millennium may earn additional fees in the course of providing investment advisory services to the Millennium Funds. Some of these fees might include director and advisory fees, cash or stock received in the course of serving on a Portfolio Company board of directors, or break-up fees (fees paid for investments which are not consummated).

A portion or all of these fees reduce future Management Fees in connection with the receipt of these fees. The calculation of such reduction varies from fund to fund and is described in LPA for each Millennium Fund.

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

### **PERFORMANCE BASED FEES**

By virtue of the General Partner's investment into the Millennium Funds and in accordance with each Millennium Fund's LPA, a share of the net investment profits (the share referred to as "Carried Interest") is paid from the Limited Partners to the General Partner (each of which is an affiliate of the Management Company) of its respective Millennium Fund.

In general, Carried Interest of each Millennium Fund is paid to the General Partner if that Fund generates a net gain on its investment portfolio (as determined under each Millennium Fund LPA), after accounting for the impact of Management Fees and other expenses. Carried Interest is paid as a percent of net gains on a periodic basis, when net gains are earned, and subject to the periodic return to the Limited Partners of realized investment basis, management fees and expenses.

The formula for calculating Carried Interest and the specific thresholds to be met before paying it varies among the Millennium Funds and is governed in each case under each specific Millennium Fund's LPA.

In each of the Millennium Funds, and as separately determined in each such Millennium Fund, a claw-back obligation exists which requires the General Partner to return previously earned and distributed Carried Interest if, in that Millennium Fund, it is determined at the end of the fund life, that the lifetime net gains are insufficient to support the total previous distributions of Carried Interest.

### **SIDE BY SIDE MANAGEMENT**

Several of the Millennium Funds operate as Parallel Investment Entities and are designed to operate in unison. As such, these entities invest in the exact same Portfolio Companies (in specific, fixed proportions). In general, it is not the practice of Millennium to allow for investment in a particular Portfolio Company across multiple Millennium Funds. Typically, investments are held within a particular fund family, and it is the view of the General Partner to avoid cross-fund investing. However, in special circumstances, such activity is permitted by the Millennium Fund's

LPAs and reviewed with the appropriate Millennium Fund's Limited Partner Advisory Board or Committee.

Millennium New Horizons I, L.P. (which is now managed by Millennium New Horizons Management) has made an investment in a Portfolio Company which is also held in the Millennium Technology Value Partners II, L.P. and Millennium Technology Value Partners II-A, L.P., portfolios. This investment was reviewed with the Limited Partner Advisory Committee of Millennium New Horizons I, L.P. Except as previously contemplated in the respective LPAs, decisions impacting this Portfolio Company are likely to be made in unison with its companion investment. We believe this mitigates potential conflicts of interest.

Millennium NWS Holdings (Deep Instinct), LLC is a co-investment entity and invests in one Portfolio Company which is also held in the Millennium New Horizons I, L.P. (which is now managed by Millennium New Horizons Management) portfolio and by Millennium New Horizons (DI), LLC. Except as previously contemplated in the respective LPA/Operating Agreements, decisions impacting this Portfolio Company are likely to be made in unison with its companion investment. We believe this mitigates potential conflicts of interest.

Millennium New Horizons (DI), LLC is a co-investment entity and invests in one Portfolio Company which is also held in the Millennium New Horizons I, L.P. (which is now managed by Millennium New Horizons Management) portfolio and by Millennium NWS Holdings (Deep Instinct), LLC. Except as previously contemplated in the respective LPAs/Operating Agreements, decisions impacting this Portfolio Company are likely to be made in unison with its companion investment. We believe this mitigates potential conflicts of interest.

## Item 7: Types of Clients

Millennium's clients are the Millennium Funds (listed below). Each Millennium Fund is an investment limited partnership or an investment limited liability company, which is formed for purposes of investing in companies through the direction and control of each General Partner of the respective Millennium Fund. The General Partners of these entities are affiliates of TVP Management and TVP Management Services.

- Millennium Technology Value Partners, L.P.
- Millennium Technology Value Partners (RCM), L.P.
- Millennium Technology Value Partners II, L.P.
- Millennium Technology Value Partners II-A, L.P.
- Millennium NWS Holdings (Deep Instinct), LLC
- Millennium New Horizons (DI), LLC

Investors in the Millennium Funds generally include institutional investors, such as public pension funds, foundations and endowments, trusts, family offices, other private equity funds, and high net worth individuals. All Investors in the Millennium Funds are either accredited investors or qualified purchasers.

## Item 8 Methods of Analysis, Investment Strategy and Risk of Loss

### **METHODS OF ANALYSIS AND INVESTMENT STRATEGY**

Several important elements characterize Millennium's investment approach:

- (1) A research-driven focus on asset selection, identifying best-of-breed companies capable of creating value for shareholders.
- (2) A sector-driven approach focused on identifying and understanding technology sectors that possess particularly attractive medium to long-term attributes, combined with significant due diligence to develop expertise on the industry dynamics and private companies operating in that particular sector.
- (3) A disciplined and analytical approach to operating and financial metrics.
- (4) The ability to participate in different types of securities in a given company's capital structure, sometimes utilizing such formats as secondary investments, a mix of common and preferred stock at different prices and different risk/reward ratios, debt, mezzanine debt, structured financing, synthetic call options, pre-and-post-IPO investing and other techniques in order to create the right customized blend of risk and return for each company and each investment.
- (5) The ability to create a relationship with a given company, and to serve as a financial partner to the company's capital structure throughout the lifecycle of that company.

Based on the implementation of the investment approach elements listed above, Millennium's strategy is designed both to invest and to achieve realizations throughout the ups and downs of market and economic cycles.

The General Partners of the Millennium Funds have the capability to enter into a wide range of transaction formats (equity and debt; primary and secondary; public and private; domestic and international), and to tailor financing solutions to meet the requirements of companies and their shareholders, while at the same time seeking to generate attractive risk-return dynamics for Millennium's investors. The Firm frequently assesses current and future market and industry cycle dynamics since different assets — and formats for investing in them — will be more likely to be successful at different points in the evolution of the market cycle. This flexible, diversified approach has been instrumental in allowing Millennium the ability to make attractive investments up and down the economic cycle, as well as to achieve realizations and attractive returns at high points as well as low points in the economic cycle. Millennium has developed an extensive track record of selecting assets that went on to be outstanding performers from a returns perspective, and of keeping experience of loss to a very low rate.

### **RISK OF LOSS**

Investing in securities in the venture capital arena, even with Millennium's focus on risk-mitigation, inherently entails a number of significant risks that should be considered before making an investment. The possibility of a partial or total loss of capital will exist, and investors must be prepared to bear capital losses that might result from such investments. An investment in the Millennium Funds should be considered only by persons and entities that are prepared for and can afford a loss of their entire investment.



Investors in the Millennium Funds should be aware of certain risk factors, which include, but are not limited to, the following:

### Business Risk

The assets of the Millennium Funds consist primarily of securities issued by private companies. Operating results in a specified period will be difficult to predict. Such investments involve business and financial risks that can result in substantial losses.

### Concentration of Investments; Technology Industry

The Millennium Funds participate in a limited number of investments and generally seek to make investments in the technology industry or various segments of the technology industry. As a result, although Millennium's general purpose Funds maintain concentration limits on individual investments within the Fund, a Millennium Fund's investment portfolio could become highly concentrated in the technology sector, and the performance of a few holdings may substantially affect its aggregate return. Concentration in a single industry may involve risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns. The technology industry is challenged by factors including rapid change, evidenced by rapidly changing market conditions and/or participants, new competing products and/or improvements in existing products. The Millennium Funds' Portfolio Companies will compete in this volatile environment. There is no assurance that products or services sold by Portfolio Companies will not be rendered obsolete or adversely affected by competing products or services, or that Portfolio Companies will not be adversely affected by other challenges. Instability, fluctuation or an overall decline within the technology industry will likely not be balanced by investments in other industries not so affected. In the event that the technology sector as a whole declines, returns to Limited Partners may decrease.

### Changes in Economic and Market Environment

The investment program of each Millennium Fund is intended to extend over a period of many years, during which the business, economic, political, regulatory, and technology environment within which the Millennium Fund operates may undergo substantial changes, some of which may be adverse to that Millennium Fund. The General Partner will have the exclusive right and authority (within limitations set forth in a particular LPA) to determine the manner in which each Millennium Fund shall respond to such changes, and Limited Partners generally will have no right to withdraw from a Millennium Fund or to demand specific modifications to the Millennium Fund's operations in consequence thereof. Prospective investors are particularly cautioned that the investment sourcing, selection, management and liquidation strategies and procedures exercised by the Principals in the past may not be successful, or even practicable, during a Millennium Fund's term. Within the limitations set forth in a particular Millennium Fund Agreement, the General Partner will have the sole right and authority to modify the Millennium Fund's investment sourcing, selection, management and liquidation strategies and procedures.

### Emergency and Remote Work Policies

Millennium maintains policies to allow for remote work, in case of an emergency where the office is unavailable, or in the case of the recent pandemic as a result of Covid-19, where health concerns dictated remote work as a safe precaution.

### Projections

Projected operating results of a Portfolio Company in which a Millennium Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

#### Conflicting Investor Interests

Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in a Millennium Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of a Millennium Fund and its Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

#### Public Company Holdings

The Millennium Funds' investment portfolios may contain securities issued by publicly-held companies. Such investments may subject a Millennium Fund to risks that differ in type or degree from those involved with investments in privately-held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Millennium Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the Principals, and increased costs associated with each of the aforementioned risks.

#### Non-controlling Investments

A Millennium Fund typically holds minority stakes in privately held or publicly held companies. As is the case with minority holdings in general, such minority stakes that a Millennium Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

#### Investment in Junior Securities

The securities in which a Millennium Fund will invest may be among the most junior in a Portfolio Company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

#### Expedited Transactions

Investment analyses and decisions by the General Partner may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the General Partner at the time of an investment decision will be limited, and the General Partner may not have access to detailed information regarding the investment opportunity. There can be no assurance that the General Partner will have knowledge of all circumstances that may adversely affect an investment. In addition, the General Partner may rely

upon third-party consultants and advisers in connection with its evaluation of proposed investments; however, no assurance can be given that these consultants and advisers will accurately evaluate such investments, and a Millennium Fund may incur liability as a result of such consultants' and advisers' actions or inactions.

#### Director Liability

In certain cases, Millennium may receive a right to appoint a representative to the board of directors of the Portfolio Companies in which it invests. Serving on the board of directors of a Portfolio Company exposes the Firm and its affiliates to potential liability. Millennium maintains General Partner Liability insurance and encourages all its Portfolio Companies to carry robust Directors & Officers liability insurance as a matter of course. However, not all Portfolio Companies may obtain insurance with respect to such liability, and the insurance that Portfolio Companies do obtain combined with Millennium's General Partner Liability insurance may be insufficient to adequately or fully protect officers and directors from such liability.

#### CERTAIN RISKS ASSOCIATED WITH SUBSTANTIAL CHANGES AND PROPOSED CHANGES TO REGULATION OF INVESTMENT ADVISERS AND PRIVATE FUNDS

Millennium and its affiliates operate in a heavily regulated environment. As an SEC-registered investment adviser, which does not imply a certain level of skill or training, the Millennium is subject to the requirements of the Investment Advisers Act of 1940 (the "Advisers Act"), as amended, and the rules thereunder. In 2022 and 2023, the SEC proposed numerous amendments to the Advisers Act rules applicable to SEC-registered investment advisers. In addition to the significant proposals described in more detail below, the SEC also proposed amendments to:

- Form PF to enhance certain private fund reporting;

- Create a specific framework for due diligence and recordkeeping requirements applicable to the oversight of service providers;

- Require adoption of an incident response program under Regulation S-P to safeguard customer records and information and to notify affected individuals whose sensitive information has been accessed or used without authorization; and

- Require enhanced cybersecurity safeguards, including (i) the adoption of certain policies and procedures, (ii) reporting significant cybersecurity incidents to the SEC, (iii) disclosure of cybersecurity risks and incidents to clients and prospects and (iv) maintenance of related records.

Additionally, the new Advisers Act Rule 206(4)-1 (the new "Marketing Rule"), which includes extensive changes to marketing requirements for registered advisers, took effect November 4, 2022. Any failure to comply with the Marketing Rule and any other numerous proposed requirements described herein as finally adopted could expose the Adviser and/or its affiliates to civil and/or criminal liability, as well as reputational damage, which could adversely affect the Millennium and its private equity funds.

#### Private Funds Regulation

In February 2022, the U.S. Securities and Exchange Commission voted to propose new rules and amendments (collectively, the “SEC Proposed Rule”) to existing rules under the Advisers Act specifically related to registered investment advisers and their activities with respect to private funds. If enacted, the SEC Proposed Rule could create additional regulatory uncertainty and may have a significant impact on advisers to private funds, including Millennium and / or its affiliates. In particular, the SEC has proposed to limit circumstances in which a fund manager can be indemnified by a private fund; increase reporting requirements by private funds to investors concerning performance, fees and expenses; require registered investment advisers to obtain an annual audit for private funds and also require such fund’s auditor to notify the SEC upon the occurrence of certain material events; enhanced requirements, including the need to obtain a fairness opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); prohibit advisers from engaging in certain practices, such as, without limitation, charging accelerated fees for unperformed services or fees and expenses associated with an examination to private funds and seeking reimbursement, indemnification, exculpation or otherwise limiting an adviser’s liability for certain activities; and impose limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. If adopted, including with modifications, this new SEC Proposed Rule could have a significant effect on private fund advisers and their operations, including increasing compliance burdens and associated regulatory costs, reducing the ability to receive expense or indemnification reimbursements, and increasing the risk of regulatory action, including public regulatory sanctions, and may result in a change to Millennium and/or its affiliates’ practices and risk appetite in respect of investment strategies. Further, we note that in connection with the SEC Proposed Rule, if such rule were to be enacted, it could also significantly increase the cost of insurance, specifically D&O and E&O insurance, or may even make such insurance coverage unavailable.

Increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of Millennium and/or its affiliates and may furthermore place a Fund at a competitive disadvantage to the extent that Millennium and/or its affiliates is required to disclose sensitive business information.

#### Data Protection Regulation

Cybersecurity incidents, data protection and regulations related to privacy, data protection and information security could increase costs, and a failure to comply could result in fines, sanctions and/or other penalties.

In February 2022, the SEC proposed new cybersecurity rules and amendments to existing rules under the Advisers Act and the Investment Company Act specifically related to registered investment advisers, investment companies and BDCs (“SEC Cyber Proposed Rule”). The proposed rules would require advisers and funds to adopt, implement and annually test written cybersecurity policies and procedures, promptly report significant cybersecurity incidents to the SEC and investors, and comply with certain additional recordkeeping requirements. If adopted, including with modifications, the SEC Cyber Proposed Rule could have a significant effect on registered advisers and funds and their operations, including increasing compliance burden and associated regulatory costs and increasing the risk of regulatory action. Increased reporting, registration and compliance requirements may divert the attention of Millennium and / or its affiliates’ personnel and may furthermore place the Fund at a competitive disadvantage to the extent that Millennium and / or its affiliates are required to disclose sensitive business information, including about its information systems.

### SEC's Proposed Changes to the Custody Rule.

On February 15, 2023, the SEC proposed a significant transformation of Rule 206(4)-2 (the "Custody Rule") under the Advisers Act into a new Rule 223-1 (the "Safeguarding Rule") applicable to SEC-registered investment advisers. The proposed Safeguarding Rule would, among other things:

- Broaden the rule to cover all client assets (and not just funds and securities), including, among other things, digital assets and real estate interests;
- Expand the definition of "custody" to include discretionary investment authority for assets regardless of whether or not they are processed or settled on a delivery versus payment ("DVP") basis (and will subject separately managed accounts with non-DVP assets (*e.g.*, loans and privately offered securities) to surprise examinations);
- Overhaul the requirements relating to qualified custodians, including that the adviser enter into a written agreement with the custodian with an extensive list of required provisions, particularly that the custodian has "possession or control" of client assets; and
- Narrow the availability of the exception from the qualified custodian requirement for uncertificated privately offered securities and physical assets and impose new restrictions where the exception still applies.

If adopted, the Safeguarding Rule would represent another radical change in the regulation of custodial practices under the Advisers Act and, like the existing Custody Rule, would likely present a number of significant and burdensome compliance challenges for investment advisers.

### Concerns with Silicon Valley Bank and the Potential for a Crisis in the Banking System (March 2023).

Inflation, and resulting rapid increases in interest rates, have led to a decline in the trading values of previously issued government securities with interest rates below current market interest rates. Certain financial institutions holding significant positions in these government securities have accumulated substantial unrealized losses, which has impaired or could impair the ability of such institutions to meet customer and other liquidity needs. One such financial institution was Silicon Valley Bank ("SVB"), which faced significant withdrawals in early March 2023, and the prospect of a full scale "run on the bank" as depositors became concerned about the solvency of the bank and the ability of depositors to access their funds. SVB's position became increasingly untenable, and, on March 10, 2023, regulators shut down SVB and placed it in receivership under the Federal Deposit Insurance Corporation ("FDIC"). Shortly thereafter, Signature Bank was also placed in FDIC receivership. Market concern about the SVB and Signature Bank situations, as well as the risks posed to other similar-profile banks, created the potential for a domino effect across the U.S. banking sector, which was confronting its most significant set of challenges since the 2008 financial crisis.

In an effort to stabilize this deteriorating situation, the FDIC, in conjunction with the U.S. Department of Treasury and the Federal Reserve Board, announced: (i) a program to provide financial institutions up to \$25 billion of loans secured by certain government securities held by SVB and similarly situated banks to mitigate the risk of potential losses on the sale of such government securities; and (ii) that SVB deposit accounts would be fully insured, with FDIC insurance extended beyond the existing \$250,000 FDIC insured limit. Despite these efforts, concerns about the overall financial health and stability of the U.S. banking sector remains high,

with many bank stocks trading at lower prices than they did before the crisis began. Further governmental intervention may be required to stabilize the U.S. banking sector in the future if additional U.S. banks, particularly larger banks, appear to be at a risk of failure; it is unclear, however, whether the government would intervene in such circumstances and, if it did, whether such governmental intervention would be sufficient to forestall a full-blown banking crisis. It is also possible that further government intervention could result in other unforeseen adverse impacts on the economy over the short or long term. At the same time, global markets are being adversely impacted by the financial uncertainties surrounding Credit Suisse, which uncertainties have prompted the Swiss Central Bank's agreement to loan Credit Suisse up to 50 billion francs and has resulted in UBS agreeing to acquire Credit Suisse.

Even if, ultimately, market concerns about the financial health and stability of U.S. and global banking sectors are successfully addressed, many observers believe that the risk of a recession occurring in the U.S., and perhaps in other major global economies, has increased because of the recent events in the banking sector. Relatedly, these events may prompt the Federal Reserve Board and other central banking authorities to slow down the pace of future increases in benchmark interest rates, which could make it more difficult for the U.S. and other governments to mitigate inflationary pressures in the economy and contribute to a period of higher inflation.

The events described above present several potential risks including to: (i) investment advisers, general partners and their related entities, (ii) the funds which they manage, (iii) fund limited partners; (iv) the portfolio companies in which funds make and hold investments; and (v) founders and senior management teams of portfolio companies. Certain of these risks are described in more detail below but other risks may arise in the future as events unfold. In evaluating such risks in the context of a rapidly evolving situation like this one, one should assume that circumstances may change in ways that are not necessarily predictable, and that conditions may deteriorate. Any of the risks described below, or other risks not described, if realized, could have a material adverse effect on the liquidity, current and/or projected business operations, financial condition and/or performance results, as applicable, for any of Millennium's affiliates or its private equity fund portfolio investments.

While the danger of a full-scale national or global banking crisis appears to be abating at the time of the filing of this form, compared to the perception of such risks at the time of the closing of SVB three weeks earlier, we believe it is important to continue to pay attention to these risks, and to continue to attempt to mitigate the impact on our Funds, our Limited Partners, and all the constituent partners and factors who contribute to our goal of strong positive performance.

#### Banking Sector Risks on Fund Operations and Performance.

It is likely that, if the banking sector situation continues to deteriorate, the U.S. and/or other global economies would be adversely affected, including the possibility of recession, the duration and severity of which are difficult to predict. Among other things, a weakening in the macroeconomic situation could make it more difficult for the Fund[s] to finance and otherwise consummate investments which are sourced or refinance existing investments; and dispose or otherwise monetize investments at attractive valuations. The cumulative effect of the foregoing could adversely impact the value of Fund holdings and overall Fund performance.

### Specific Risks Associated with Banking Relationships

On March 9, 2023, Millennium in response to events in the market regarding SVB transferred a substantial amount of its cash deposits out of SVB to its brokerage relationships unimpacted by the potential emerging banking crisis, with the remaining cash in the SVB accounts well under the FDIC limits of insured deposit coverage (within the \$250,000 coverage limit). Millennium intends to maintain deposits within those limits on a prospective basis. On March 26, 2023, it was announced that First Citizens Bank has agreed to acquire SVB and service SVB bank relationships indefinitely. Millennium will continue to monitor events as they occur. Millennium is in the process of evaluating banking alternatives.

### Custody Risk

If a bank has custody of Fund assets and the bank goes into receivership, the receivership could adversely impact the safekeeping of those assets and the ability to retrieve and secure such assets, and the Fund may experience delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets. To mitigate this risk, Millennium intends to the best extent possible to limit its deposit accounts to amounts under the FDIC coverage limit and evaluate banking alternatives as appropriate.

### Adviser/General Partner Risk:

If Millennium or any of its affiliates has a banking relationship with the bank (for example, a payroll account), Millennium's ability to manage or operate its private equity funds consistent with its past business practices could be negatively impacted, potentially resulting in a disruption in operations. Millennium plans on mitigating this risk by monitoring the financial condition of its banking relationships and, where appropriate and practicable, maintaining more than one banking relationship.

In addition, service providers with whom Millennium or any of its affiliates may have relationships with banks that go into receivership, which could negatively impact such service providers and, therefore, the services Millennium or its affiliates receives from such service providers. Millennium will seek to mitigate this risk by periodically evaluating the risk profile of its service providers, and where appropriate, identifying in advance service providers which could be brought in quickly if an existing service provider is unable to provide critical services.

### Portfolio Company Risks

Portfolio companies of a Fund typically have their own banking or other relationships with banks and other financial institutions that present many of the same risks described above. In addition, a portfolio company that is unable to access a credit line because its bank is in receivership may require bridge or other temporary financing from a Fund to meet its payroll or other obligations. Such transactions may reduce the capital availability of the Fund to make other investments and may result in overall reduced returns to the Fund. Moreover, if a letter of credit or other form of credit support was being provided to a portfolio company by a bank that goes into receivership, such portfolio company may be in default of other obligations it may have requiring such letter of credit or credit support to be maintained.

Millennium intends to mitigate such risk by trying to influence its portfolio companies, wherever it has such influence, to select lending relationships with banks and other financial institutions with strong balance sheets; to monitor the financial health of its lenders on a regular basis; and to have more than one banking relationship where appropriate or practicable. In this regard it is important to note that, in certain situations (such as in non-control investments in portfolio companies or investments where there are several significant size investors in the portfolio company), Millennium have limited or no influence on portfolio company banking decisions and, even where it has influence, portfolio management teams may make decisions regarding banking relationships which are different than the decisions Millennium would make in the same circumstances.

## Item 9: Disciplinary Information

There is no disciplinary information to report for the Firm, the Millennium Funds, General Partners, and any of its affiliates, or for any of persons associated with the Firm.

## Item 10: Other Financial Industry Activities and Affiliations

### **GENERAL OVERVIEW**

Millennium provides investment advisory services to the Millennium Funds, each of which is subject to the control and direction of its respective General Partner entity, organized as Limited Partnerships. The investment committees of each General Partner entity are comprised of the Managing Partners of TVP Management.

The General Partner entities are controlled by limited liability companies which are owned by Samuel L. Schwerin. Samuel L. Schwerin and Daniel L. Burstein share in the management of the limited liability companies.

### **TVP Management and TVP Management Services**

TVP Management Services receives a management fee for investment advisory services from Millennium Technology Value Partners II, L.P., Millennium Technology Value Partners II-A, L.P., , Millennium NWS Holdings (Deep Instinct), LLC, and Millennium New Horizons (DI), LLC which it shares with TVP Management. Both TVP Management Services and TVP Management are both 100% beneficially owned by Samuel L. Schwerin.

### **General Partners**

Millennium Technology Value Partners Management, L.P. serves as the General Partner of Millennium Technology Value Partners, L.P. and Millennium Technology Value Partners (RCM), L.P. It is managed by Millennium TVP (GP), LLC, a limited liability company which is managed by Samuel L. Schwerin and Daniel L. Burstein, and beneficially owned by Samuel L. Schwerin.

Millennium Technology Value Partners II GP, L.P. serves as the General Partner of Millennium Technology Value Partners II, L.P. and Millennium Technology Value Partners II-A, L.P. It is



managed by Millennium TVP II UGP, LLC, a limited liability company which is managed by Samuel L. Schwerin and Daniel L. Burstein, and beneficially owned by Samuel L. Schwerin.

Millennium New Horizons I GP, L.P. serves as Managing Member of Millennium NWS Holdings (Deep Instinct), LLC and Millennium New Horizons (DI), LLC. It is managed by Millennium New Horizons UGP, LLC, a limited liability company which is managed by Samuel L. Schwerin, Daniel L. Burstein, Ray Cheng, and beneficially owned by Samuel L. Schwerin.

### Holding Companies

The Millennium Funds also own several investment holding companies for certain investments in Portfolio Companies. These entities hold a stock or debt interest for investment purposes and do not provide or receive advisory services.

### **CONFLICTS OF INTEREST**

Millennium (with its affiliated General Partners) in the course of managing and engaging in investment activities, from time to time comes across certain situations where a conflict of interest arises in the context of managing multiple funds and its investors. It is generally the policy of the Firm to deal with all conflicts of interest using the General Partners' best judgment, with the interest of the Millennium Funds and its investors as its primary responsibility as a fiduciary. In resolving conflicts of interest, Millennium and the appropriate General Partner may seek consultation of the Limited Partner Advisory Board of the relevant Millennium Fund if appropriate. Millennium and the appropriate General Partner will be the sole decision makers in resolving conflicts of interest, except as required by the governing documents of the Millennium Funds.

#### Conflicts Relating to the Purchase and Sale of Investments

It is the general practice of each of the Millennium Funds to invest in separate Portfolio Companies in a manner that no crossover investments exist over multiple funds other than parallel funds. Once a new Millennium Fund commences investing in new Portfolio Companies, it is the practice of the Firm not to allocate new company investment opportunities to other pre-existing Millennium Funds. However, the Funds are not prohibited from investing in the same or similar Portfolio Companies, and may do so in the future if circumstances merit it and if, in the judgment of the General Partner, such investment does not present a material conflict of interest.

Several of the Millennium Funds may operate as parallel entities. These Funds are managed by the General Partner in unison, in that all investments and economics of the parallel entities are shared by those entities in proportion to their Partner Capital Commitments – such that they are effectively operated as one entity.

Millennium may raise a co-investment vehicle from select investors, who may have the opportunity to invest additional capital in a single Portfolio Company of a Millennium Fund. Selection of these investors is based upon the sole discretion of the General Partner and the specific terms of each Millennium Fund LPA. Execution of purchases and sales relating to a specific Portfolio Company is determined with the interest of generating the best performance for the investment, which benefits the collective Limited Partners of the Millennium Funds.

### Conflicts Relating to the Investors Separate Tax/Legal Attributes

A Millennium Fund may have tax-exempt, taxable, foreign, and other investors, whereas employees and owners of the Firm who invest through the General Partner into the Millennium Funds are taxable at individual U.S. rates. Conflicts may exist with respect to various structuring, investment, and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations.

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

Millennium as an organization is devoted to carrying out its activities in a manner consistent with sound ethical principles, respect for relevant laws, regulations, and compliance procedures, and with the interests of its clients and underlying investors in mind at all times. The Firm maintains a Compliance Manual that incorporates a Code of Ethics. The Firm will provide a copy of the Compliance Manual to any investor in a Millennium Fund upon request. The Chief Compliance Officer is designated as the person responsible for the administration of the policies and procedures of the Firm. The Code of Ethics is based on the principle that Millennium, and each of its employees, owes a fiduciary duty to its clients, the Millennium Funds, and their underlying investors, as well as an individual and collective duty to comply with federal and state securities laws and all other applicable laws. These duties include the obligation of all employees to conduct their personal securities transactions and engage in all activities in a manner that does not interfere with the transactions of Millennium Funds or otherwise take unfair advantage of their relationship with the Millennium Funds. In recognition of this duty, the Firm has adopted the following general principles to guide the actions of the Managing Partners and employees of Millennium:

- All Managing Partners and employees of the Firm have a duty at all times to place the interests of the Millennium Funds and their investors first.
- All Managing Partners and employees of the Firm have a duty to conduct all personal securities transactions in a manner consistent with the Code of Ethics and to avoid any conflict or abuse of a position of trust and responsibility.
- All Managing Partners and employees of the Firm must refrain from actions or activities that would allow a person to profit or benefit from his or her position with respect to Millennium, or that would otherwise bring into question that person's independence or judgment.
- All Managing Partners and employees must comply with the insider trading policy detailed in the Compliance Manual.
- All personal securities transactions by all Managing Partners and employees of the Firm must be conducted so as to avoid a conflict of interest with Millennium.
- Any formal activity engaged in by a Managing Partner or employee outside of Millennium should be communicated to Managing Partners and/or the Chief Compliance Officer in order to ensure that there is no conflict of interest.

- Any political contributions made by a Managing Partner or employee should be communicated to a Managing Partner and/or the Chief Compliance Officer in order to ensure that there is no conflict of interest.

#### Conflicts Relating to the Investments by Firm Principals into Portfolio Companies

It is the practice of the Firm for the Managing Partners and employees of Millennium not to invest individually in existing Portfolio Companies of any Millennium Fund, other than their participation in the Millennium Fund either directly or through a General Partner entity or other similar affiliate, unless the individual investment is approved by the Chief Compliance Officer. In no case are transactions allowed in Portfolio Companies that are currently on the restricted list, which is a list maintained by Millennium's Chief Compliance Officer to communicate companies where trading by employees and Managing Partners is prohibited.

### Item 12: Brokerage Practices

Selection of broker dealers to execute trades in publically traded securities is made with the purpose of getting the best execution possible at the best commission rate. In certain cases, Millennium will select a broker which has specific analytical expertise in a certain stock, in an effort to provide efficient execution. Millennium seeks to aggregate orders as it deems appropriate and practical for each particular situation. Authorization to execute trades is vested with the Managing Partners of the Firm and coordinated through team members including the Chief Financial Officer and the lead investment professional for the investment.

### Item 13: Review of Accounts

#### **PORTFOLIO COMPANIES**

Performance of the Millennium Funds' Portfolio Companies is reviewed by the Managing Partners and other employees of TVP Management on a regular periodic basis. The Millennium Funds generally receive quarterly financial information from their respective Portfolio Companies, which is used to monitor performance and evaluate progress on particular investments.

#### **FINANCIAL STATEMENTS AND CAPITAL ACCOUNTS**

Investors in each respective Millennium Fund receive unaudited financial statements and statements of capital within 60 days following the end of each financial quarter and audited financial statements and statements of capital within 90 days after year end. Investors also receive periodic updates through quarterly letters, investor meetings, and other materials provided on the firm website. All financial information is reviewed by the Chief Financial Officer and the Managing Partners.

### Item 14: Client/Investor Referrals and Other Compensation

There is no provision in any of the operating documents of Millennium, its affiliates, or the Millennium Funds allowing compensation to be generated for Investor referrals. Additionally,

Millennium, its employees and affiliates, and the Millennium Funds do not benefit from any products or services from its Portfolio Companies.

### Item 15: Custody

Millennium maintains in its regular course of business, bank and brokerage accounts for assets held by each of the Millennium Funds. It is the policy of Millennium to keep in custody, in these bank and brokerage accounts, all assets of the Millennium Funds, including cash, publicly traded securities, and private company securities. Millennium receives bank, brokerage, and custodial statements each month, which are reconciled to the financial statements of the Millennium Funds that are, in turn, delivered to investors on a quarterly and annual basis as described in Note 13 (above). Each of the Millennium Funds is audited by a public accounting firm before issuing calendar year end financial statements, which are then delivered to the Investors of Millennium Funds (as outlined above).

### Item 16: Investment Discretion

Millennium provides investment advisory services to each of the Millennium Funds pursuant to the provisions of each respective Limited Partnership Agreement. The actions of the Millennium Funds are subject to the direction and control of each respective General Partner, which are affiliates of Millennium. Any applicable restrictions governing investments in certain types of securities, companies, or other assets are established in the Limited Partnership Agreement of each Millennium Fund and are agreed to by the General Partner of each Fund and that respective group of Limited Partners.

### Item 17: Voting Client Securities

The General Partner of each Millennium Fund, in its sole discretion, makes decisions to vote proxies or make other similar decisions regarding corporate actions in an effort to obtain the best result for that respective Millennium Fund.

### Item 18: Financial Information

Item 18 is not applicable to the Firm or its affiliated entities.