

**Form ADV Part 2A – Firm Brochure**

**RALLYDAY PARTNERS, LLC**

**March 26, 2023**

**250 Fillmore St.**

**Suite 225**

**Denver, CO 80206**

**This brochure provides information about the qualifications and business practices of Rallyday Partners, LLC, an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 303-494-1992 or mail to [susan@rallydaypartners.com](mailto:susan@rallydaypartners.com).**

**This information has not been approved or verified by the SEC or by any state securities authority.**

**Registration with the SEC or with any state securities authority does not imply a certain level of skill or training. Additional information about Rallyday Partners, LLC also is available on the SEC’s website at [www.adviserinfo.gov](http://www.adviserinfo.gov).**

**Item 2: Material Changes**

In March 2022, Rallyday Partners, LLC held a first and final closing of Rallyday Partners Fund II LP.

In June 2022, Rallyday Partners, LLC acquired three professionals from The Parkpoint Company, a Portland, OR based independent sponsor. The business combination retained the Rallyday Partners name and ownership; all three Parkpoint employees relocated to Rallyday's Denver, CO office.

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#### **Item 4: Advisory Business**

Rallyday Partners, LLC (“Rallyday” or the “Manager”) a Denver -based private equity firm, was formed in 2018 to make and manage investments by pooled investment vehicles structured as limited partnerships (the “Funds”) in innovative lower middle market companies with compelling secular trends, disruptive, scalable business models, and audacious leadership. The general partners of the Funds are affiliates of Rallyday. Nancy Phillips, Ryan Heckman, Mark Hopkins and Travis Conway (the “Principals”) are Rallyday’s founders and owners, each of whom has owned and led entrepreneurial companies with successful exits.

Rallyday’s goal is to create a more impactful private equity firm that is more appealing to founders and entrepreneurs, while generating attractive net multiple returns for investors in a more aligned GP/LP structure. The Principals bring their entrepreneurial and operational expertise, combined with a systematic investment strategy designed to increase value creation potential while seeking to reduce the risk of investing in lower middle market platform companies. Rallyday sources transactions directly and through third parties subject to the terms and conditions of each relevant agreement. These transactions are structured primarily in the form of majority recapitalizations with founders.

Supporting the Rallyday investment team are advisors (the “Rallyday Architects”) who focus on facilitating post-closing activities relating to people and culture, leadership, strategy, commercial ‘purpose’, and executive-level accounting and finance support. These advisors augment the Rallyday Principals’ day-to-day involvement on the ground at the Funds’ portfolio companies, particularly focused on organizational development needs as the companies grow at an accelerated pace.

Rallyday tailors its advisory services to the specific investment objectives and restrictions of each Fund as set forth in each Fund’s offering memorandum, limited partnership agreement and management agreement (collectively, the “Documents”). In accordance with common industry practice, the Funds enter into “side letters” or side agreements with certain investors in the Funds, pursuant to which the Manager grants an investor specific rights, benefits, or privileges. These arrangements typically clarify any regulatory, informational, governance and interpretational rights with the other Documents and generally do not include changes in the financial terms.

If the Rallyday determines for legal, tax, regulatory or other reasons that investments should not be made through the Funds, an alternative investment structure or parallel investment entity that invests alongside or in lieu of the Fund is established. Any alternative investment or parallel structure duplicates the economics of the Funds. Also included are co-investment vehicles (“Co-Invests”), through which certain persons may invest alongside the Funds in certain investments made by the Funds.

As of December 31, 2022, Rallyday had \$334,859,988 in discretionary assets (including uncalled capital) in three funds (including one parallel fund) and \$-0- in non-discretionary assets.

## **Item 5: Fees and Compensation**

### Organizational and Operational Expenses

The Funds pay the majority of costs and expenses incurred in connection with the organization of the Funds, the Manager and other related entities prior to the initial closing date, including without limitation, costs and expenses incurred for the Manager's office and business, formation of the Funds, and the admission of partners to the Funds, legal, accounting, filing, capital raising, and other organizational expenses. The Funds pay other costs and expenses associated with the Funds' operations:

- sourcing, identifying, evaluating, negotiating and documenting prospective and actual portfolio investments, whether or not consummated;
- acquiring, holding, managing and disposing of portfolio investments;
- any indebtedness incurred by the Funds, including interest and expenses;
- insurance, indemnification and litigation expenses and obligations;
- the engagement of accountants, attorneys and other professionals;
- Rallyday Architects (to the extent not paid by a portfolio company); taxes, fees and other governmental charges levied against the Funds;
- expenses incurred in connection with meetings of or any reporting to or communications with the partners, the investment committee, the LP Advisory Committee (the "LPAC") and any other board or committee of the Funds;
- expenses relating to Fund accounting, tax and legal advice, whether performed by third parties or, with prior LPAC approval, internal staff of the Manager;
- tax and accounting reports;
- other fees and expenses related to the Funds' administration and operation, including organizational expenses that are not borne by the Rallyday in accordance with the Documents.

### Annual Budget and Approved Manager Expenses

The Funds do not pay a traditional management fee to the Manager. With respect to each fiscal year, the Manager submits to the LPAC (which consists of representatives of each Fund's partners or their advisors selected by the Manager) an annual budget for the Manager's operations for such fiscal year, which includes all anticipated expenses of the Manager (the "Annual Budget"). These expenses include but are not limited to compensation for the Principals and other employees of the Manager, amounts paid to the Rallyday Architects, rent, utilities, expenses related to information technology, the recruitment of additional personnel, and compliance with any rules, laws or regulations regarding registered investment advisers incurred by the Manager. These expenses do not include organizational expenses or partnership expenses, which are paid by the Funds in addition to the Annual Budget.

Following approval of the Annual Budget by the LPAC, the Funds reimburse the Manager for all expenses included in the annual budget ("Approved Manager Expenses"). All Approved Manager Expenses are paid as specified in the Documents. Any expenses incurred during a fiscal year in

excess of the Approved Manager Expenses for such year are submitted to the LPAC for its consideration and approval for reimbursement in the following fiscal year.

The Funds' general partners receive a fee that is based on income and capital appreciation and is referred to as a "Carried Interest Distribution." Item 6 below describes the Funds' performance-based fees.

These fees are generally not negotiable. Some partners (mainly Rallyday personnel) have their fees reduced or eliminated.

#### Fees and Expenses Paid to Rallyday or the Funds by Portfolio Companies

The Manager and its affiliates receive commitment fees, breakup fees, fees from transactions not consummated, monitoring fees, consulting fees, professional service fees, advisory fees, closing fees, investment banking fees, management contract termination fees, corporate service fees and other similar fees ("Fee Income") from portfolio companies or prospective portfolio companies. As described in a Fund's Documents, Fee Income (net of expenses) is applied to reimburse and reduce Approved Manager Expenses otherwise payable by the Funds.

Fee Income in connection with a Fund's investment is allocated between a Fund and Rallyday in accordance with the provisions of such Fund's Documents. Any such Fee Income that was not offset against Approved Manager Expenses during the term of the Funds will be distributed to the partners at the end of the term of the Funds.

Rallyday personnel serve as members of portfolio companies' boards of directors. The portfolio companies reimburse Rallyday for travel-related and other expenses incurred by Rallyday personnel in connection with their board service.

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

As referenced in Item 5, after investors have received distributions in the amount of their contributed capital, as defined in the Documents, generally plus a preferred return, the general partners receive performance-based distributions, the terms of which are described in each Fund's Documents and collectively referred to as "Carried Interest Distributions". The general partners are entitled to waive or reduce, in whole or in part, their Carried Interest Distribution with respect to any limited partner or any portion of a limited partner's commitment (including without limitation the members of the investment team, employees or affiliates).

### **Item 7: Types of Clients**

Rallyday provides advice directly to the Funds, which are pooled investment vehicles, and not to individual investors. The Funds are currently Rallyday's only clients. Access to the Funds is limited to investors who meet specified minimum investment criteria relating to their financial holdings,

investment experience, and the like, as well as knowledgeable Rallyday personnel.

With certain exceptions, Rallyday requires investors in the Fund to be “accredited investors” as that term is defined under the Securities Act, “qualified clients” as that term is defined under the Advisers Act, and, except as otherwise agreed to by the general partner, “qualified purchasers” as that term is defined in the Investment Company Act and must meet other suitability requirements.

Investors and potential investors in a Fund are provided with that Fund’s Documents, which identify the strategies’ investment objectives along with associated risk factors.

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

Rallyday’s strategy is to invest in emerging growth companies led by founders within high growth industries. Rallyday targets companies in the North American lower middle market where the Principals have deep domain experience and significant fragmentation exists. Further, Rallyday seeks the right balance of focus and diversification to provide better risk adjusted portfolio construction. The Principals draw upon firsthand experience as former CEOs, leading portfolio company founders; the architectural team augments the leadership teams and provides blueprints to more rapidly advance portfolio company initiative; the investment team provides sourcing, transaction execution, and portfolio management functions.

Rallyday designed its proprietary six-month Rallyday Accelerator Program™ (“RAP”) to capture the collective 80+ years of senior leadership experience from its Principals into a scalable system. RAP is organized into a series of six monthly “Rallydays”. The early months, after an initial investment, are a catalytic time for a portfolio company, and this focus on being heavily involved ensures Rallyday will ‘hit the ground running’. At the same time, given the robust nature of the content, spreading the Rallydays over six months provides enough time to minimize distraction from the day-to-day business.

Each Rallyday includes leadership skill training for the executive team, opportunities to analyze the company’s current and future state, and team-building to develop functional trust that will unlock new potential for stronger results in the future. It is during the RAP process that Rallyday and company management will establish a shared vision and value creation plan. Each session is led by one of the Principals and facilitated by the Rallyday Architects.

## **Risk Factors**

**Participation in this offering is suitable only for persons or entities with the financial capability of making and holding long-term investments and of sustaining the loss of a portion or all of their investment. Potential investors should be aware that an investment in the Funds involves a high degree of risk. There can be no assurance that the Funds’ investment objectives will be achieved, or that an investor will receive a return of its capital. In addition, there will be**

**occasions when the Manager or its affiliates encounter potential conflicts of interest in connection with the Funds.**

**Each investor is strongly urged to consult with the investor's legal counsel and financial and/or investment advisors prior to investing in the Funds.**

***No Assurance of Investment Return; Past Performance.*** The Funds' investment portfolios consist primarily of investments in privately held entities, and results in a specified period will be difficult to predict. While private equity investments offer the opportunity for capital appreciation, such investments also involve a high degree of risk. There is no assurance that the Funds will be able to invest their capital with attractive terms or generate returns for their investors. There can be no assurance that a Fund will achieve similar results to any of the results achieved by previous funds managed by the Manager, the members of the investment team or their affiliates in the past, whether on an aggregated portfolio basis or an individual investment-by-investment basis.

***Expenses Borne by the Funds.*** The Funds pay all fees, costs and expenses relating to their activities, investments and business (to the extent not borne or reimbursed by a portfolio company), including, without limitation, expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated (including due diligence and legal expenses and the fees of other advisors). In addition, the Funds pay their pro rata share of all expenses of the Manager, to the extent approved by the LPAC on an annual basis (the "Approved Manager Expenses"). The amount of Fund expenses and Approved Manager Expenses is substantial and reduces the actual returns realized by limited partners on their investments in the Funds. Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast.

***Illiquid Nature of Portfolio Company Investments.*** The Funds make investments in securities that have limited liquidity. It is anticipated there will be a significant period of time before the Funds have completed their investments in portfolio companies. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there often will be no current return on the investments. Accordingly, investors should view their investments in the Funds as long term.

***Competition for Investments.*** The Funds compete for investments with a large number of banks, finance companies, investors, and other funds, some of which have substantially greater resources than the Funds.

***Difficulty Locating Suitable Investments.*** There can be no assurance that the Manager will be able to identify a sufficient number of attractive investment opportunities to fully invest the Funds' committed capital in opportunities that satisfy the Funds' investment objectives, or that such investment opportunities will lead to completed investments by the Funds. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.



**Limited Number of Investments.** The Funds participate in a limited number of investments and may seek to make several investments in one industry or industry segment. As a result, the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio investments and thus be less diversified.

**Projections.** The Funds rely upon projections developed by Rallyday, the Principals or outside sources concerning a portfolio company's future performance and cash flow. These projections are based upon certain assumptions and information provided by and judgments made by outside parties. These projections are only estimates of future results and, therefore, there can be no assurance that the projected results will be achieved. Actual results may vary significantly from the projections, and general economic conditions and other factors out of the control of Rallyday and the Principals may negatively impact the reliability of the financial projections.

**Reliance on Rallyday/Key Persons.** Decisions with respect to the management of the Funds are made by Rallyday and the investment team. Investors in the Funds must rely upon Rallyday's ability in identifying, structuring, and implementing investments consistent with the Funds' investment objective and policies. The success of the Funds depends in substantial part upon the leadership, skill and expertise of the Principals. However, there can be no assurance that each of the Principals will continue to be affiliated with the Funds, or Rallyday throughout the Funds' anticipated term. The loss of one or more of these individuals could have a material adverse effect on the performance of the Funds. In addition, the Principals have other personal, business, community and philanthropic interests and activities to which they devote time and attention.

**Borrowing by the Funds.** The Funds consider borrowing funds to finance portfolio investments. The Manager would seek to borrow funds in a manner it believes is prudent, and is subject to limits described in the Documents. Borrowings by the Funds may result in UBTI being recognized by tax-exempt investors.

**Use of Debt and Leverage.** The Funds may incur debt directly. Portfolio companies may also incur debt and make use of leverage to finance growth. Leverage generally magnifies both the Funds' opportunities for gain and its risk of loss from a particular investment. The use of leverage will also result in interest expenses and other costs to the Funds or a portfolio company that may not be covered by distributions made to the Funds or by appreciation of its investments in a portfolio company.

**Side Agreements Not Available to All Investors.** In accordance with common industry practice, the Manager enters into one or more "side letters" or similar agreements with certain limited partners which grants to the limited partners specific rights, benefits or privileges that are not made available to limited partners generally, including rights or altered or supplemental provisions in respect of co-

investments, exclusion from investments, timing of capital contributions, transfer of interests, tax and structuring matters, reporting and information rights, confidentiality provisions, notice requirements and other representations, warranties or due diligence confirmations, or economic terms contained in the Fund agreement.

***Risk of Bridge Financing.*** If the Funds make an investment with the intent of subsequently financing a portion of that investment, there is a risk that the Funds will be unable to successfully complete such a financing. This could lead to the Funds having a larger amount of capital invested in an investment than anticipated as well as reduced diversification.

***Developments Concerning Financial Markets.*** Recently, difficult market conditions and economic trends have adversely affected the financial services industry, causing significant declines in the values of nearly all asset classes and a pronounced lack of liquidity. These trends caused the global markets to have increased volatility and had a negative impact on investor confidence in financial institutions as well as a number of other industries and in the broader financial markets. Furthermore, general downward economic trends, reduced availability of commercial credit and increased unemployment can negatively impact the performance of commercial and consumer credit. Presently, the markets are highly volatile and governments throughout the world, including the United States, continue to carry a significant amount of debt. The current economic pressure on consumers and businesses may adversely affect the business, financial condition, and operating results of the Funds.

***Inflation.*** Inflation may adversely affect the Funds' business and operations and those of its portfolio companies. Due to global supply chain issues, a rise in energy prices and strong consumer demand, inflation is likely to continue in the near to medium-term, with monetary policy tightening in response. Certain of the Funds' portfolio companies may be impacted by inflation and persistent inflationary pressures could negatively affect the profit margins of the Funds' portfolio companies, which could decrease the value of an investment in the Funds.

***Cybersecurity Risk.*** With the increased use of technologies such as the Internet to conduct business, the Manager, the Funds and their portfolio companies are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber incidents affecting the Manager, the Funds, their portfolio companies, their service providers or the limited partners have the ability to cause disruptions and impact business operations, potentially resulting in financial losses or interference with the ability to transact business, prepare reports or financial statements and protect confidential information under applicable privacy and other laws.

***Changes in Law; Regulation of Private Investment Funds.*** Government measures to regulate the financial industry and in particular private investment funds, have increased and will likely continue to increase, forcing change of business practices, imposing significant unforeseen costs, limiting the

products that private investment funds can offer and their ability to pursue opportunities in an efficient manner, requiring an increase in regulatory capital, affecting the value of the assets that private investment funds hold, reducing revenues and generally adversely affecting the business, financial condition and results of private investment funds, their managers, their counterparties and the companies in which they invest. In addition, because the Funds bear the costs of the Approved Manager Expenses, any increased compliance costs of the Manager are borne by the Funds.

***Russian Invasion of Ukraine.*** In February 2022, Russia mobilized and commenced military operations in Ukraine resulting in a large scale conflict within the country and the surrounding border regions. The effects, scale and impact of this conflict on Ukraine, Russia and other countries are highly uncertain and cannot be predicted. Effects on the global economy and trading markets resulting from the military operations and economic sanctions connected to the Russia-Ukraine conflict are uncertain and impossible to predict. Although the Fund will not invest in properties or securities located in Russia, Ukraine or surrounding regions, these events could negatively affect the value and liquidity of the Fund's investments due to the interconnected nature of the global economy and capital markets.

***Misconduct of Third-Party Service Providers.*** Misconduct or misrepresentations by third-party service providers could cause significant losses to the Funds. Despite the General Partners' due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining such due diligence efforts. As a result, no assurances can be given that the due diligence performed by the General Partners will identify or prevent any such misconduct.

## **Item 9: Disciplinary Information**

A registered investment adviser is required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of the adviser or the integrity of the adviser's management.

Rallyday has no legal or disciplinary events to disclose.

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

The Funds' general partners are Rallyday's only affiliates.

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

### Code of Ethics and Personal Trading

Rallyday has adopted a Code of Ethics (the "Code") in accordance with Section 206 and Rule 204A-1 of the Investment Advisers Act of 1940. The Code provides for the highest level of ethical conduct

applicable to Rallyday's owners and employees ("Rallyday Personnel") and obligates all Rallyday Personnel to put the Funds' interests over their own. The purposes of the Code are to (i) educate Rallyday Personnel about Rallyday's expectations and the laws governing their conduct, (ii) remind Rallyday Personnel that they are in a position of trust and must act with complete propriety at all times, (iii) protect Rallyday's reputation, (iv) guard against violation of the federal securities laws, (v) protect the Funds by deterring misconduct, and (vi) establish procedures for Rallyday Personnel to follow so that Rallyday can assess whether they are complying with the Code. The Code requires all Rallyday Personnel to obtain pre-approval for investments in non-Rallyday private placements and IPOs. Rallyday's Chief Compliance Officer ("CCO") monitors compliance with the Code through reviews of required disclosures of personal securities transactions, outside business activities and other affirmations of compliance by Rallyday Personnel.

Rallyday, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which Rallyday or its related persons have invested or seek to invest. The Code includes policies and procedures that prohibit and are designed to prevent the misuse of material, nonpublic information ("insider trading").

Rallyday Personnel are required periodically to certify their compliance with the Code's written policies and procedures.

Investors or prospective investors in the Funds may request a copy of the Code by contacting Rallyday's CCO, Susan Chamberlain, at: [susan@rallydaypartners.com](mailto:susan@rallydaypartners.com).

#### Participation or Interest in Client Transactions

Certain Rallyday Personnel, affiliates and business contacts may invest in and alongside the Funds, through the Manager, Co-Invests, SPVs or directly, in the securities owned by the Funds.

#### Cross Transactions

Generally, Rallyday does not effect cross transactions between Funds; however, they may be effected in rare instances, such as for rebalancing when parallel funds, AIVs or SPVs are formed, if permitted by the relevant Funds' Documents or with approval of the relevant Funds' LPAC or partners. In the event that Rallyday does effect cross-fund transactions between Funds, Rallyday shall seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements (including obtaining any requisite approvals) and Rallyday's policies and procedures. Neither Rallyday nor any of its affiliates receive any compensation for effecting a cross-fund transaction.

## Conflicts of Interest

### **Conflicts in General**

Investors should be aware that, in connection with the current and potential future activities of the Manager and the investment team, the investment and business interests of these entities and individuals may conflict with the investment and business interests of the Funds and their partners.

### **Management Time**

Although the members of the investment team devote a significant amount of their business time and attention to the Funds' activities, and remain actively involved in the Funds, the members of the investment team are not otherwise restricted in the amount of business time and attention that they devote to matters unrelated to the Funds. Conflicts of interest may arise in allocating management time among the Funds and the other activities of the members of the investment team, future investment funds, the Manager and their respective affiliates.

### **Conflicting Interests among Limited Partners**

Limited partners in the Funds include persons or entities organized in various jurisdictions who have conflicting investment, tax and other interests with respect to their investment in the interests of the Funds. The conflicting interests of individual limited partners relate to or arise from, among other things, the nature of investments, the structuring of the acquisition of investments and the timing of the disposition of investments. Such structuring of investments can result in different after-tax returns being realized by different limited partners. As a consequence, conflicts of interest likely will arise in connection with decisions to be made by the Manager, including, without limitation, with respect to the nature or structuring of investments that are more beneficial for one limited partner than for another limited partner, especially with respect to an individual tax situation.

### **Allocation of Investment Opportunities**

The investment team and the Manager may engage in other investment activities as otherwise not prohibited by the Funds' agreements. These activities conducted by the investment team and the Manager may be directly or indirectly competitive with the Funds, and conflicts may arise in determining whether an investment opportunity will be offered to a Fund. Additionally, Funds will be permitted under certain circumstances to co-invest with affiliates of the Manager and the investment team and conflicts of interest may arise between the Manager, the Funds and such affiliates in connection with such co-investments.

The Funds shall not be permitted to make an initial investment in any company in which any of the Principals has a direct ownership interest or in a portfolio company of a predecessor fund absent the approval of the LPAC. Without the prior approval of the LPAC, the Principals may not invest for their own account in the securities of any portfolio company. In addition, the Manager shall make available to the Funds all investment opportunities which come to the attention of the Manager or any of the Principals, except for such investment opportunities (1) which the Manager or such Principal, as the case may be, reasonably believes are not within the purposes of or appropriate for the Funds, (2)

which are in entities in which any of the Principals has an investment interest which was made prior to the initial closing, or (3) which are in entities in which a predecessor fund or a successor fund has an investment.

### **Resolution of Conflicts.**

In the event that any matter arises that the Manager determines constitutes an actual conflict of interest, the Manager takes such actions as deemed necessary or appropriate to ameliorate the conflict, such as requesting advice and counsel from the LPACs.

### **Item 12: Brokerage Practices**

The investments made by the Funds generally do not require the use of a broker-dealer. On certain occasions, however, an investment by a Fund or disposition of securities held by a Fund requires Rallyday to select a broker-dealer to execute a transaction.

Rallyday has, subject to the Documents, sole discretion over the purchase and sale of publicly traded investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. To facilitate the sale of public securities that may, from time to time, be held by the Funds, Rallyday selects one or more broker-dealers to provide execution services. Rallyday believes that its selection of broker-dealers is consistent with its duty to seek “best execution” of Fund transactions. “Best execution” means obtaining for the Funds the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputation and reliability of the executing broker-dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, Rallyday takes into account all factors that it deems relevant to the broker’s or dealer’s execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Rallyday does not receive “soft dollar” credits in connection with its use of broker dealers.

### **Aggregation of Trades**

Rallyday may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly-traded security. Portfolio managers and traders often employ this practice because larger transactions can enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. Rallyday may combine orders on behalf of a Fund with orders for another Fund for which it has trading authority, or in which it has an economic interest. In such cases, Rallyday generally aggregates trade orders for publicly traded securities so that each participating Fund receives the average price for each execution of a transaction.

### **Item 13: Review of Accounts**

#### Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly, Rallyday's review of the portfolios is not directed toward a short-term decision to hold or dispose of securities. Rallyday's investment team continuously monitors the portfolio companies of the Funds, including holding quarterly formal review meetings. Topics include, but are not limited to sourcing, strategy, portfolio allocations, monitoring, diligence updates, strategic relationships, market conditions and trends as well as return targets.

#### Reporting

Rallyday issues quarterly and annual reports to partners that include partnership financial statements and summaries outlining portfolio company results and developments.

During the Funds' terms, an annual meeting of the partners is held to offer the opportunity to review and discuss the partnerships' investment activity and portfolio companies.

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

Please refer to "Fees Paid to Rallyday or the Funds by Portfolio Companies" in Item 5.

Rallyday retained a placement agent (the "Promoter") for assistance in raising capital for the Funds. Fees and expense reimbursements paid to a Promoter are paid by the Funds in accordance with the terms of the Funds' Documents. The Promoter also receives non-cash compensation as described in the agreement between the Manager and the Promoter. The Manager reduces the Approved Manager Expenses by the aggregate amount of all Promoter fees paid or reimbursed by the Funds.

Rallyday does not receive any economic benefit from any person that is not a client for providing advisory and management services to the Funds.

### **Item 15: Custody**

Because Rallyday is affiliated with each Fund's general partner through common ownership and control, Rallyday is deemed to have custody of client assets under current applicable regulatory interpretations. Consequently, each of the Funds is audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). Audited financial statements are sent to each Fund investor within 120 days of the Fund's fiscal year end.

### **Item 16: Investment Discretion**

Investment advice is provided directly to the Funds under the direction and control of Rallyday

and not individually to the investors in the Funds. The advice is in accordance with the provisions of the Documents of the Funds.

#### **Item 17: Voting Client Securities**

To the extent matters arise that call for the vote or consent of the investors in a publicly traded portfolio company of a Fund, Rallyday exercises the voting rights on behalf of the Fund in question. It is Rallyday's policy to vote all proxies in a manner that best serves the interests of the applicable Fund.

Copies of relevant proxy records (if any), identifying how proxies were voted in connection with the Funds and copies of proxy voting policies are available to any investor in a Fund upon request to Susan Chamberlain, CCO, at: [susan@rallydaypartners.com](mailto:susan@rallydaypartners.com).

#### **Item 18: Financial Information**

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