

**Item 1. Cover Page**



**Catalytic Wealth RIA, LLC**

**20 University Road, 4th Floor  
Cambridge, Massachusetts 02138**

**(617) 362-3161**

**[www.catalyticwealth.com](http://www.catalyticwealth.com)**

**Part 2A of Form ADV: Firm Brochure  
November 20, 2023**

**This brochure (“Brochure”) provides information about the qualifications and business practices of Catalytic Wealth RIA, LLC (“Catalytic”). If you have any questions about the contents of this brochure, please contact us at 617-362-3161 or [compliance@catalyticwealth.com](mailto:compliance@catalyticwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

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

**An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

## **Item 2. Material Changes**

This Brochure, dated as of November 20, 2023, has been prepared in connection with an other-than-amendment to provide additional information related to Catalytic's policies and practices in Item 4, Item 5, Item 8, Item 11, Item 12, Item 13 and Item 17.

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## **Item 4. Advisory Business**

### **Overview**

Catalytic (“Catalytic,” the “Firm,” “We,” or the “Adviser”) is an asset management firm providing tailored financial advisory and wealth management services. Catalytic provides investment and advisory services to individuals and institutions. Catalytic, a Delaware limited liability company, was established in 2023 and is wholly owned (indirectly through various intermediate entities) by General Catalyst Group Management, LLC, which is owned, directly and indirectly, including through GC Management Partners, L.P. and GC Partners Holdings, LP, by General Catalyst Group Management Holdings, L.P. and ultimately principally owned by Joel Cutler, David Fialkow, Hemant Taneja, and Ken Chenault.

### **Investment Management Services**

Catalytic helps its clients steward their wealth and accomplish other life objectives by managing their portfolios of liquid and illiquid investments, primarily on a discretionary basis. Catalytic’s client services are designed to provide personalized wealth management solutions for ultra-high net worth and high net worth individuals, trusts, estates, families, foundations, endowments, charitable organizations, corporations, and other business entities (each, a “Client”). Catalytic intends to provide these advisory services through various investment practices, each of which has its own advisory focus and strategies, driven primarily by the types of clients they service and team expertise. Typically, when providing investment advisory services, the Adviser has full discretion to select securities to buy and sell for a Client’s account. Client accounts are tailored to address the specific goals, objectives, and constraints of each Client. We consider a range of factors that can impact the investment management process, including risk tolerance, investment time horizon, current and future cash needs, and such other circumstances deemed relevant.

Advisory services are provided pursuant to an investment management agreement (“IMA”) between Catalytic and each Client and include (i) an evaluation of the Client’s existing assets and financial objectives and implementation of an investment program based on such evaluation and objectives and (ii) ongoing monitoring of the Client’s portfolio including any of the Client’s existing managers or funds that were not recommended by Catalytic, but that the Client has directed one of Catalytic’s investment representatives (“Wealth Managers”) to keep as part of the Client’s account(s). Clients can impose reasonable restrictions on investing in certain securities or types of securities subject to the approval of Catalytic. Catalytic does not provide legal, tax, or accounting advice.

In limited circumstances, Catalytic offers non-discretionary advisory services; in such cases, Catalytic will not exercise discretion as described above but will instead make recommendations and proposals and act upon Client instructions.

Catalytic provides these advisory services, in more cases, in conjunction with an investment in the privately offered investment vehicles, funds, accounts, or other arrangements with third-party managers, privately offered investment vehicles, funds, accounts, or other arrangements managed by third parties and affiliated investment advisers of Catalytic, including the private funds managed by General Catalyst Group Management, LLC (collectively, the “GC Funds”), and direct private investments with the goal of maximizing expected returns on a risk-adjusted basis.

Depending on an individual Client's objectives, Catalytic may invest in a broad mix of U.S. and foreign securities and financial instruments, in both traditional and alternative asset classes. Catalytic typically invests in: pooled vehicles (hedge funds, private equity funds, venture capital funds, mutual funds, and exchange-traded funds) managed by other investment advisers and by affiliated investment advisers (including affiliates of the Adviser), accounts managed by other investment advisers, public equities, fixed income securities, cash equivalent instruments, currencies, real assets, natural resources, privately offered securities, private equity and co-investments in private equity, private debt, sponsors or general partners of private investment funds, options, futures, warrants, derivatives, swaps/forwards, and commodities, among other public and private instruments.

### **Financial Planning Services**

Catalytic offers financial planning services to high net worth and ultra-high net worth Clients. Financial planning services generally include an assessment of a Client's financial situation as well as the goals and objectives the Client would like to achieve. The financial planning services are also generally a collaborative undertaking where Clients and Adviser Personnel (as defined below) work together to develop a financial plan. Depending on the Client's personal situation, a number of relevant financial planning elements may be addressed. These elements may include but are not limited to one or more of the following:

- A review of the Client's goals and objectives
- Retirement planning
- Education planning
- Estate and wealth transfer planning
- Insurance planning/risk management
- Asset allocation review and recommendations
- Cash management and certain treasury services
- Philanthropic planning
- Business succession planning
- Equity compensation planning
- Tax education and considerations

### **Independent Managers**

Catalytic has entered into, and will likely enter into more in the future, sub-advisory agreements for separately managed accounts with other investment advisers, and Clients can choose to enter into agreements directly with these other investment advisers for separately managed accounts ("Independent Managers"). These Independent Managers are not affiliated with Catalytic. They provide discretionary investment management services which incur additional fees as described in Item 5.

Catalytic selects and recommends Independent Managers that it believes are appropriate for a Client's needs and objectives. The Independent Managers buy and sell securities over time as they manage sub-advised accounts directly on a Client's behalf. Catalytic does not make individual security selection decisions for these accounts. Catalytic monitors the investments in the accounts, but not to the degree that it does in accounts that it directly manages. Catalytic reviews the

Independent Managers' investment returns and performs periodic due diligence on the Independent Managers. Not all Clients utilize Independent Managers.

As of October 31, 2023, Catalytic has \$282,886,929 in assets under management.

## **Item 5. Fees and Compensation**

### **Client Fees**

Catalytic offers its advisory services on a fee basis, as described in each Client's IMA, which can include an annual percentage rate charged on the total assets managed, an annual fee charged on a percentage of the market value of the assets subject to the fee within incremental fee tiers or tranches (i.e., on a tiered or tranche basis), or a flat fee. Fees will generally be charged on any accrued dividends and interest. Catalytic's annual fee is prorated and generally billed quarterly in advance, based upon the market value of the assets subject to the fee on the last business day of the previous quarter (or, in the absence of a then-current known market value, the last known market value); provided that Catalytic shall have the ability to adjust previously billed amounts in a subsequent quarter if any withdrawals or contributions by the Client during the prior calendar quarter were equal to, or greater than, \$100,000. The fees are deducted from the Clients' assets or paid directly by the Client. The various fees described herein are collectively referred to as "Advisory Fees".

Catalytic typically requires an annual Advisory Fee minimum for its separate account investment management services in order to provide sufficiently individualized advisory services, as set forth in the respective Client's IMA. Under certain circumstances, Catalytic will provide advisory services for less or more than the annual minimum. The annual Advisory Fee varies but will represent less than 1.5% of the assets under management. Catalytic reserves the right to adjust or waive the minimum fee and to impose an initial set-up fee.

Catalytic, in its sole discretion, can waive or negotiate lower or higher Advisory Fees with different Clients based upon a variety of criteria (i.e., unique Client circumstances and/or requirements, level and frequency of services desired and provided, anticipated future earning potential, anticipated future additional assets, dollar amount of assets to be managed, broader business relationship between the Client and Catalytic or its affiliates, discounts to employees of Catalytic or its affiliates, and the Client's related accounts (including, if requested by Client and at Catalytic's discretion, the "householding" of some or all accounts of a Client individually or with their family members)). Mid-quarter changes to existing fee rates will be effective at the start of the next billing quarter.

Investments through an advisory account into private equity, credit, hedge, or real estate funds or other pooled investment vehicles (including, but not limited to, GC Funds) involves payment of two or more levels of investment management fees: one to Catalytic at the advisory account level, and another charged at the fund level to the manager of the investment fund with respect to its managers and service providers (which will include affiliates of Catalytic to the extent a Client invests in a GC Fund). If the investment fund in turn invests in other funds, there will be additional levels of fees, which in the aggregate reduce net returns.

Clients will also pay fees and expenses, directly or indirectly, in addition to the Advisory Fees. These other fees and expenses can include, among others, custodial fees, transaction fees, mutual fund

expenses, and fees for third-party managers. Catalytic also may charge fees for services that are not advisory in nature, such as charitable giving planning, that Catalytic offers to Clients that will be detailed in agreements regarding those non-advisory services.

Catalytic has entered into, and expects to enter into in the future, referral agreements, thus receiving referral fees, with various unaffiliated entities. Wealth Managers who refer Clients into these entities will also receive a portion of the fees received by Catalytic. This creates a conflict of interest because Wealth Managers have an incentive to refer Clients to these unaffiliated service providers. Catalytic addresses this conflict of interest through disclosure in this Brochure and disclosure at the time the Client signs the engagement letter.

For Client accounts implemented through a third-party manager, the relevant third-party manager will be responsible for any trade executions in the Client's account and such managers may not select the lowest-cost share class of a mutual fund for which a Client is eligible at such Client's custodian.

All non-investment management fees and expenses, as well as all investment management fees charged by investment managers other than Catalytic, are the Client's responsibility and are not covered by Catalytic's Advisory Fees described above. These fees and expenses include, among other things, commissions, fees, and all other costs associated with the Client's account or with the purchase or sale of securities, mutual funds, investment funds, or other investment instruments, including wire transfer fees, custodian fees, access fees, platform fees, investor servicing fees, interest, taxes, and other expenses associated with a Client's account.

A portion of the fees payable to Catalytic is allocated on an ongoing basis to a Client's Wealth Manager(s), and the percentage credited to a Wealth Manager starting out and likely in the future will be higher for accounts that are self-sourced than for accounts that are referred internally to them.

A Wealth Manager has discretion to charge a fee lower or higher than the fee in the standard Advisory Fee schedule above. The fee a Client pays is a factor used to calculate the compensation to the Wealth Manager. Therefore, the Wealth Manager has a financial incentive not to reduce fees. A Wealth Manager receives less than the standard payout when discounting too far below the standard fee schedule. This creates a financial incentive for Wealth Managers to price at or above those levels. Catalytic reserves the right, without prior notice, to change the methods by which it compensates the Wealth Managers and employees, including reducing or denying any production payout for any reason.

In calculating Advisory Fees, Catalytic and/or one of its affiliates values the investment in accordance with generally accepted accounting principles in the U.S. ("GAAP"). Valuations generally rely on third parties to value or provide meaningful inputs to value client assets. Such inputs may include market data vendors, external pricing services, comparable transactions, custodians, brokers, administrators, or other discretionary investment managers. Additionally, some assets will be fair-valued by Catalytic's or one of its affiliate's internal valuation committee or marked-to-market, in accordance with GAAP.

The information contained herein is a summary only, qualified in its entirety by various governing documents, including a Client's IMA, and does not preclude materially different fee and expense terms for future Client arrangements.

## **Financial Planning and Consulting Services**

Catalytic typically charges a fixed fee for financial planning and other consulting services. These fees are negotiable depending upon the level and scope of the services as pre-determined by the professional rendering the services. Amounts billed are typically payable before any work can begin. In the event the agreement is terminated prior to the delivery of the plan, the Client can request a refund. Catalytic retains the right to deny the request or reduce the amount of the refund to offset the time and expenses attributable to the work that has already been performed by the professional rendering the services. Catalytic can, at its discretion, waive all or a portion of these fees.

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

Catalytic does not charge performance-based fees for its investment advisory services. In certain accounts or strategies, third-party managers (which may include affiliates of Catalytic) earn performance-based compensation with respect to certain investments held by Clients.

Performance-based compensation creates a conflict of interest in that it could provide an incentive for third-party managers to make more speculative investments than it might otherwise make.

Performance-based fee arrangements present a conflict of interest for the third-party manager with respect to their investment funds that are not subject to performance-based fee arrangements or subject to different performance-based fee arrangements because such arrangements give the third party-manager an incentive to favor an investment fund subject to performance-based fees (or subject to higher performance-based fees) over investment funds that are not subject to performance-based fees by, for example, allocating their best investment ideas to accounts from which they stand to earn additional compensation should the investment fund perform well.

## **Item 7. Types of Clients**

Catalytic generally provides investment advice to: ultra-high net worth and high net worth individuals, trusts, estates, families, foundations, endowments, charitable organizations, corporations and other business entities. The Adviser does not have a minimum account size for Clients, but anticipates that they typically will have greater than \$1,000,000 in investable assets.

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

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

Based on the investment objectives of each Client, Catalytic uses a variety of methods, including adviser reputation, client service, investment philosophy, stability and continuity of management, performance under varying market conditions, fees, and minimum investment requirements, to analyze the investment strategies and asset allocations appropriate for each Client. This information will be obtained from business publications, tracking organizations, industry sources, and other sources. Client funds will be invested by the Wealth Manager managing each Client account and are subject to the methods of analysis used by such Wealth Managers.

Catalytic seeks to analyze Clients' financial situations that may take into account several factors and considerations including, but not limited to, defined objectives, tax impact, risk tolerance, time



horizon, liquidity needs and other suitability factors. Wealth Managers seek to use their experience and judgment to construct the appropriate investment strategies and allocations based on this analysis. It is important that Clients notify Catalytic immediately with respect to material changes to their financial circumstances including, for example, any income expectation changes, tax status, or employment.

While Catalytic seeks to maintain portfolio flexibility to react to changes in markets, investment decisions and asset allocation recommendations are generally made with a long-term outlook consistent with each Client's long-term objectives. Catalytic regularly monitors risk levels in Client accounts and portfolios in an effort to ensure continuity with the mutually agreed risk objectives and take advantage of the natural volatility of markets to rebalance portfolios accordingly.

Catalytic selects and monitors investments based on its ongoing operational and investment due diligence. Catalytic's pragmatic approach to alternative investments and a constantly expanding universe of potential solutions may dictate using certain strategies and approaches when the Adviser believes it may offer improved risk-adjusted and cost-effective returns for Clients.

The description above is neither a comprehensive list or description, and the Adviser can utilize additional or a combination of other methods or strategies in developing its advice and providing advisory services. Additionally, a more comprehensive description of the risks of any specific investment can be found in the corresponding offering documents.

## **General Risks**

Catalytic supports its investment strategies with risk management procedures intended to keep portfolios in conformity with Client objectives. Prospective Clients should be aware that no assurance can be given that risk frameworks employed by Catalytic will achieve their objectives and prevent or otherwise limit substantial losses. No assurance can be given that the risk management techniques will accurately predict future trading patterns or the manner in which investments are priced in financial markets in the future. Risks for relevant products are more fully described in such products' offering and/or governing documentation.

Certain risks apply specifically to particular investment strategies or investments in different types of securities or other investments that Clients should be prepared to bear. The risks involved for different Client accounts or funds will vary based on a Client's investment strategy and the type of securities or other investments held in the Client's account or the fund. The following are descriptions of various primary risks related to the investment strategies used by Catalytic. Not all possible risks are described below. Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. Past performance is not indicative of future results; therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. In addition to general investment risks, there are additional material risks associated with the types of strategies and private funds in which your account invests from time to time.

**Asset Class Risk.** Securities in an asset class in a portfolio have in the past and likely will in the future underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

**Changes in Environment.** Clients' investment programs are intended to extend over a long period of time, during which the business, economic, political, regulatory, legal, and technology environment within which Clients' investments operate are expected to undergo substantial changes, some of which may be adverse to Clients. There can be no assurance that investment strategies developed and implemented in the current market will remain appropriate as market conditions change. In addition, there is no guarantee that the Adviser will be able to keep up with developing market trends or other changes in the investment landscape. Returns to the Clients will depend upon the successful evolution of Clients' investment strategies to address changes in market conditions over time. Catalytic (together with its affiliates, as applicable) will potentially have the exclusive right and authority (within limitations set forth in the applicable IMA) to determine the manner in which Clients shall respond to such changes. The investment sourcing, selection, management and liquidation strategies and procedures exercised in the past by members of the Adviser with respect to Clients may not be successful, or even practicable, during extended periods.

**Commodity Risk.** Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value of commodity-linked investments has in the past and likely will in the future be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (e.g., drought, flooding), livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of sector commodities (e.g., energy, metals, agriculture and livestock) have in the past and likely will in the future fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

**Counterparty Risk.** Transactions, including certain derivative transactions, entered into directly with a counterparty are subject to the risks that a counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of a transaction. A counterparty could become bankrupt or otherwise fail to perform its obligations due to financial difficulties, resulting in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

**Credit/Default Risk.** Debt issuers and other counterparties of fixed income securities or instruments could default on their obligation to pay interest, repay principal or make a margin payment, or default on any other obligation. Additionally, the credit quality of securities or instruments could deteriorate (e.g., be downgraded by ratings agencies), which could impair a security's or instrument's liquidity and decrease its value.

**Currency Risk.** Currencies have in the past and likely will in the future be purchased or sold for a portfolio through the use of forward contracts or other instruments. A portfolio that seeks to trade in foreign currencies has in the past and likely will in the future have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. A portfolio has in the past and likely will in the future hold investments denominated in currencies other than the currency in which the portfolio is denominated. Currency exchange rates can be volatile, particularly during times of political or economic unrest or as a result of actions taken by central banks. A change in the exchange rates has in the past and likely will in the future produce significant losses to a portfolio.

**Cyber Security Risk.** With the increased use of technologies to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. A successful penetration or circumvention of the security of the Firm's systems by unauthorized third parties could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Firm or its service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the Firm may incur substantial costs related to investigation of the origin and scope of a cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

Cyber security failures or breaches by a third-party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents. Third-party investment managers engaged to manage Client assets are subject to and present cyber security risk. Similar types of operational and technology risks are also present for the companies in which the Clients invest, which could have material adverse consequences for such companies, and may cause the Clients' investments to lose value.

**Derivative Risk.** Investments in derivatives, or similar instruments, including but not limited to, options, futures, options on futures, forwards, participatory notes, swaps, structured securities, tender-option bonds and derivatives relating to foreign currency transactions, which can be used to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that will reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to fulfill its contractual obligations, the portfolio receiving cash collateral under the transactions and some or all of that collateral being invested in the market, or the risks arising from margin posting requirements and related leverage factors associated with such transactions. In addition, many jurisdictions globally have proposed or adopted new regulations for derivatives transactions. New regulations could make derivatives more costly, limit the availability of derivatives, or otherwise adversely affect the value or performance of derivatives.

**Distressed Securities.** Investments in companies that are in poor financial condition, lack sufficient capital or are involved in bankruptcy or reorganization proceedings face the unique risks of lack of information with respect to the issuer, the effects of bankruptcy laws and regulations and greater market volatility than is typically found in other securities markets. As a result, investments in securities of distressed companies involve significant risks that could result in a portfolio incurring losses with respect to such investments.

**Emerging Markets Risk.** Investments in emerging markets are potentially subject to a greater risk of loss than investments in more developed markets, as they are more likely to experience inflation risk, political turmoil and rapid changes in economic conditions. Investing in the securities of emerging markets involves certain considerations not typically associated with investing in more developed markets, including but not limited to, the small size of such securities markets and the low volume of trading (possibly resulting in potential lack of liquidity and in price volatility), political risks of emerging markets including unstable governments, government intervention in securities or currency markets, nationalization, restrictions on foreign ownership and investment, laws preventing repatriation of assets and legal systems that do not adequately protect property rights. Further, emerging markets can be adversely affected by changes to the economic health of certain key trading partners, such as the U.S., regional and global conflicts, terrorism and war. Emerging markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities. Economies in these regions may also be more susceptible to natural disasters (including earthquakes and tsunamis), or adverse changes in climate or weather. In addition, certain countries in this region with less established health care systems have experienced outbreaks of pandemic or contagious diseases from time to time, including, but not limited to, coronavirus, avian flu, and severe acute respiratory syndrome. The risks of such phenomena and resulting social, political, economic and environmental damage (including nuclear pollution) cannot be quantified. Economies in which agriculture occupies a prominent position, and countries with limited natural resources (such as oil and natural gas), may be especially vulnerable to natural disasters and climatic changes.

**Equity Securities Risk.** Equity securities are subject to changes in value and their values can be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which the issuer securities are subject to stock risk. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and will do so again in the future.

**Financial Institution Risk; Distress Events.** An investment by a Client is subject to the risk that one of the banks, brokers, hedging counterparties, lenders, or other custodians (each, a “Financial Institution”) of some or all of the Clients’ assets fails to timely perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023, and First Republic Bank in May 2023 (each, a “Distress Event”). Distress Events can be caused by a variety of factors, including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, or accounting irregularities. If a Financial Institution experiences a Distress Event, the Adviser, a Client or one of its investments may not be able to access deposits, borrowing facilities or other services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, substantial delays, or negative impact on banking or brokerage conditions or markets.

**Hedging Risk.** Hedging techniques could involve a variety of derivatives, including futures contracts, exchanged listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. A transaction used as a hedge to reduce or eliminate losses associated with a portfolio holding or particular market that a portfolio has exposure, including currency exposure, can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the hedging transaction and its reference portfolio holding or market (correlation risk), and there can be no assurance that a portfolio's hedging transaction will be effective. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge can be greater than gains in the value of the positions of the portfolio. Increased volatility will generally reduce the effectiveness of the portfolio's currency hedging strategy. Hedging techniques involve costs, which could be significant, whether or not the hedging strategy is successful. Hedging transactions, to the extent they are implemented, have in the past and will likely in the future not be completely effective in insulating portfolios from currency or other risks.

**Income Risk.** A portfolio's income will likely decline when interest rates decrease. During periods of falling interest rates an issuer can repay principal prior to the security's maturity ("prepayment"), causing the portfolio to have to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.

**Index-Related Risk.** Index strategies are passively managed and do not take defensive positions in declining markets. There is no guarantee that a portfolio managed to an index strategy ("index portfolio") will achieve a high degree of correlation to its underlying index and therefore achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the index portfolio's ability to adjust its exposure to the required levels in order to track its underlying index. Errors in index data occur from time to time and are sometimes not identified and corrected for a period of time, and can have an adverse impact on a portfolio managed to the index. The index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indices, and does not guarantee that the index will be in line with its described index methodology. Errors and rebalances carried out by the index provider to the underlying index has in the past and likely will in the future increase the costs and market exposure risk of a portfolio.

**Inflation Risk.** Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of payments at future dates. As inflation increases, the real value of a portfolio could decline. Inflation rates may change frequently and drastically as a result of various factors and a portfolio's investments may not keep pace with inflation, which may result in losses. Inflation has recently increased, and it cannot be predicted whether it may decline.

**Interest Rate Risk.** When interest rates increase, fixed income securities or instruments will generally decline in value. Long-term fixed income securities or instruments will normally have more price volatility because of this risk than short-term fixed income securities or instruments. The United States is experiencing a rising market interest rate environment, which may increase a portfolio's exposure to risks associated with rising market interest rates. Rising market interest rates have

unpredictable effects on the markets and may expose fixed-income and related markets to heightened volatility.

**Issuer Risk.** A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Changes to the financial condition or credit rating of an issuer of those securities can cause the value of the securities to decline or become worthless.

**Legal and Regulatory Risk.** Legal, tax, and regulatory changes may adversely affect the Clients' portfolios. New (or revised) laws or regulations or interpretations of existing law may be issued by the IRS or U.S. Treasury, the U.S. Commodity Futures Trading Commission (the "CFTC"), the SEC, the U.S. Federal Reserve or other banking regulators, or other governmental regulatory authorities, or self-regulatory organizations that supervise the financial markets that could adversely affect the Clients' portfolios. The Clients' portfolios also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations. It is impossible to predict what, if any, changes in regulations may occur, but any regulation or change in enforcement or interpretation that restricts the ability to trade in securities could have a material adverse impact on the performance of a Client's portfolio, and a regulation that imposes restrictions on banks (and their affiliates) could have an adverse impact on Catalytic.

**Leverage Risk.** A portfolio utilizing leverage will be subject to heightened risk. Leverage involves the use of various financial instruments or borrowed capital in an attempt to increase the return on an investment and can be intrinsic to certain derivative instruments. Leverage takes the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged, including but not limited to, forward contracts, futures contracts, options, swaps (including total return financing swaps and interest rate swaps), repurchase agreements and reverse repurchase agreements, or other forms of direct and indirect borrowings and other instruments and transactions that are inherently leveraged. Any such leverage, including instruments and transactions that are inherently leveraged, can result in the portfolio's market value exposure being in excess of the net asset value of the portfolio. A portfolio will often need to liquidate positions when it is not be advantageous to do so to satisfy its borrowing obligations. The use of leverage entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

**Liquidity Risk.** Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or becomes less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio is unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes can be more difficult to value.

**Management Risk.** A portfolio is subject to management risk, which is the risk that the investment process, techniques and analyses applied will not produce the desired results, and those securities or other financial instruments selected for a portfolio has in the past and likely will in the future result in returns that are inconsistent with the portfolio's investment objective. In addition, legislative, regulatory, or tax developments will affect the investment techniques or opportunities, available in connection with managing the portfolio and has in the past and likely will in the future also adversely affect the ability of the portfolio to achieve its investment objective.

**Market Risk.** The market value of the instruments in which a portfolio invests goes up or down in response to the prospects of individual companies; particular sectors or governments; political, regulatory, market and social developments; and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets. In addition, turbulence in financial markets and reduced liquidity in equity, credit and/or fixed income markets may negatively affect many issuers, which could adversely affect market value. Market risk may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide. Examples include pandemic risks related to the coronavirus as well as war, terrorism, extreme climate events and geopolitical events. The financial services industry generally and investment activities are affected by general economic and market conditions, including interest rates, availability of credit, lack of price transparency, inflation rates, economic uncertainty, changes in tax and other applicable laws and regulations, trade barriers, national and international and environmental and socioeconomic circumstances.

**Mutual Funds and ETFs.** Clients may invest in mutual funds and exchange-traded funds (“ETFs”). Mutual funds and ETFs purchase and sell securities, such as stocks, commodities and bonds (or have exposures to such securities through swaps and other derivative instruments) and may also invest in crypto-currencies. Some of the mutual funds and ETFs that may be purchased for a Client’s portfolio may concentrate heavily in a particular asset category or sector. These categories could include, among others, sector funds, blue chip stock funds, small capitalization stock funds, growth funds, bond funds and international funds or crypto-currency funds; such funds may specialize even further on the basis of country or region of the world and engage in the use of leverage and short selling or trade in crypto-currencies. Investors in mutual funds and ETFs generally bear all of their expenses, including fees of the investment adviser and custodian, brokerage commissions and legal and accounting fees. As a result, Clients will indirectly bear two levels of advisory compensation -- the Advisory Fee and the advisory fee charged by the investment adviser of any mutual funds and ETFs in the Client’s portfolio. The foregoing fees and expenses may be expected to result in a higher cost of investment than would be the case if Clients were to invest directly in the mutual funds and ETFs on their own. As a result, the returns realized by the Clients will be lower, all else being equal, than the returns Clients would realize from engaging in the same activities directly on their own.

**Non-U.S. Securities Risk.** Investments in the securities of non-U.S. issuers are subject to the risks associated with non-U.S. markets in which those non-U.S. issuers are organized and operate, including but not limited to, risks related to foreign currency, limited liquidity, less government regulation, privatization, and the possibility of substantial volatility due to adverse political, economic, geographic events, or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange controls or other regulations and potential restrictions on the flow of international capital. These risks are often heightened for investments in smaller capital markets, emerging markets, developing markets or frontier markets.

**Other Activities.** Catalytic Personnel (as defined below) will devote only such portion of their time to the affairs of a Client as they consider appropriate in their respective judgment to manage such Client’s account. Without limitation, Catalytic Personnel currently manage, and expect in the future to manage, several other accounts similar to a Client’s, and expect to direct certain relevant investment opportunities or resources to those accounts. Catalytic Personnel reserve the right to

manage their own personal investments and accounts, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Catalytic's principals and investment staff will continue to manage and monitor such investments or accounts until their realization. Such other investments or accounts that Catalytic's principals expect from time to time to control or manage generally have the potential to compete with Client accounts or companies acquired by a Client account.

Catalytic's principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Client's accounts. To the extent an investment opportunity is received that is unsuitable for a Client, in Catalytic's sole discretion, Catalytic and Catalytic Personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the relevant IMA, Catalytic Personnel are permitted to serve on boards or act in other roles unaffiliated with Catalytic, Client accounts or their investments, including boards of charitable and educational institutions, public companies and former account investments, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Advisory Fees or Investment Management Fees (as defined below).

**Public health emergencies; COVID-19.** Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Clients.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to Clients. The extent of the impact on Clients' and their investments' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital.

**Private Investment Risk.** Investments in private investments, including debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets and other similar types of investments are highly illiquid and long-term. A portfolio's ability to transfer and/or dispose of private investments is expected to be highly restricted.

**Portfolio Turnover Risk.** Active and frequent trading of securities and financial instruments in a portfolio can result in increased transaction costs, including potentially substantial brokerage commissions, fees and other transaction costs. In addition, frequent trading is likely to result in short-term capital gains tax treatment. As a result of portfolio turnover, the performance of a portfolio can be adversely affected.

**Real Estate Risk.** Historically real estate has experienced significant fluctuations and cycles in value and local market conditions which has in the past and likely will in the future result in reductions in



real estate opportunities, value of real property interests and, possibly, the amount of income generated by real property. All real estate-related investments are subject to the risk attributable to, but not limited to: (i) inability to consummate investments on favorable terms; (ii) inability to complete renovation, expansion or development on advantageous terms; (iii) adverse government, environmental and tax regulations; (iv) leasing delays, tenant bankruptcies and low occupancy levels and lease rates; and (v) changes in the liquidity of real estate markets. Real estate investment strategies that employ leverage are subject to risks normally associated with debt financing, including the risk that: (a) cash flow after debt service will be insufficient to accumulate sufficient cash for distributions; (b) existing indebtedness (which is unlikely to be fully amortized at maturity) will not be able to be refinanced; (c) terms of available refinancing will not be as favorable as the terms of existing indebtedness; or (d) the loan covenants will not be complied with. It is possible that property could be foreclosed upon or otherwise transferred to the mortgagee, with a consequent loss of income and asset value.

**Reliance on Other Managers.** The Adviser is expected to invest a significant portion of Clients' capital in private investment vehicles (e.g., funds and managed accounts) managed by third parties. Finding, selecting, and investing with underlying managers is a complex process. In determining how to invest Clients' capital in other private investment vehicles, the Adviser looks for managers with investment strategies the Adviser believes have the potential to offer strong risk-adjusted returns, considering both objective information relating to such other managers (such as historical performance data) and subjective information. There can be no guarantee, however, that the Adviser's assessment of any manager will be accurate. In particular, there can be no assurance that past performance data or other objective or subjective information relating to such managers will provide any indication as to how private investment vehicles managed by such managers will perform in the future. Further, the Adviser may miss or misinterpret information during its due diligence. An underlying manager could also be engaged in wrongdoing that the Adviser does not discover in its ordinary course due diligence and monitoring processes. While the Adviser will request information from each underlying manager, the type of information provided is generally in the discretion of the underlying manager, and the Adviser will not always obtain all information requested, including as a result of confidentiality or other legal restrictions. Inability to receive complete information makes it more difficult to select, evaluate, allocate among, and assess the performance of underlying managers.

As a result of the Adviser's selection criteria for managers, underlying managers are likely to be dependent on the services of one or a limited number of key individuals. The loss of the services of any such individual could result in the impairment or loss of a Client's investment. Even if the Adviser is able to accurately identify managers whose vehicles have the potential to produce attractive returns, there can be no assurance that Clients will be able to invest in such vehicles. For example, taking into account the varying fundraising cycles of such vehicles, and the timing of the GC Funds' (or a fund in which the Adviser or its affiliates acts as an adviser or sub-adviser) own closings and other investments, the GC Funds or any other fund in which the Adviser or its affiliates acts as an adviser or sub-adviser may not have available capital during any such other vehicle's "open window" period. In addition, there can be no guarantee that a Client's offer to invest in any such vehicle will be accepted. Finally, it is anticipated that many of the same risks that relate to the Adviser's management of the GC Funds or any other fund in which the Adviser or its affiliates acts as an adviser or sub-adviser, including conflicts of interest, will apply in a corresponding, or even more significant, manner to investment vehicles of underlying managers.

**Research Risk.** Fundamental analysis entails attempting to measure the intrinsic value of a security by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysis attempts to produce a value for a security which can be compared with the current price. There are several weaknesses of fundamental analysis including; models are time consuming and specific to industries or companies, models are based on assumptions which introduce subjectivity, models are subject to biases of the analyst and the definition of fair value. Fundamental analysis should be approached with caution. An inherent risk involved in the analysis is the assumption that the market or security will reach an expected value. Qualitative analysis is a non-statistical oriented analysis. It uses subjective judgment based on unquantifiable information, for example; management expertise, industry cycles, strength of research and development and labor relations. The risk involved with qualitative analysis is that there are biases introduced by the analyst. Quantitative analysis is a method of analysis that seeks to understand behavior by using complex mathematical and statistical modeling. The risk involved with the analysis is that there is no guarantee that these models will accurately forecast results or reduce risk. There can be no assurance that a model will achieve its objective. Technical analysis is based on past market data including price and volume. The risks associated with this model are the assumption that the market will follow a pattern. However, markets do not always follow patterns or predictions of the pattern can be flawed.

**Risk Management.** Although managing risk is a principal element of Catalytic's overall investment strategy, Clients are expected to make investments that, viewed in isolation, present very substantial risks. Rather, Catalytic will seek to manage risk across Clients via a broad array of risk-offsetting techniques. There can be no assurance that Catalytic will be successful in avoiding excessive risk exposure in connection with Clients' investments. Catalytic's ability to successfully manage risk will depend in significant part upon: (i) the ability of the members of Catalytic to accurately obtain and analyze relevant data to identify possible risks; (ii) the ability of the members of Catalytic to make appropriate adjustments to the Clients' asset allocations; and (iii) the availability and affordability of market vehicles to reduce risk (e.g., swaps, hedges, puts and insurance). If Catalytic is unable to identify the relevant risks or adjust Clients' asset allocations to mitigate risks, or if the cost of market vehicles to reduce risk is prohibitive, Clients' investment performance could suffer.

**Short Selling Risk.** Short sales in securities that it does not own exposes a portfolio to speculative exposure risks. If a portfolio makes short sales in securities that increase in value, the portfolio will lose value. Certain securities will not be available or eligible for short sales. Short selling involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at an acceptable price; the possibility of the lender terminating the loan at any time, forcing the portfolio to close the transaction under unfavorable conditions; the additional costs that will be incurred; and the potential loss of investment flexibility caused by the obligation to provide collateral to the lender and set aside assets to cover the open position. There can be no assurance that a portfolio will be able to close out a short sale position at any particular time or at an acceptable price. Any loss on short positions will not necessarily be offset by investing short-sale proceeds in other investments.

**Underlying Fund Risk.** A portfolio investing in funds (underlying funds), including but not limited to GC Funds, includes, but is not limited to the performance of the underlying fund and investment risk of the underlying funds' investment, as the underlying funds could involve highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts and startups, control positions and illiquid investments. In particular, the risks for a portfolio

operating under a fund of funds structure include, but are not limited to, the following: the performance of the portfolio will depend on the performance of the underlying funds' investments; there can be no assurance that a multi-manager approach will be successful or diversified, or that the collective performance of underlying fund investments will be profitable; one or more underlying funds will be allocated a relatively large percentage of the portfolio's assets; there can be limited information about or influence regarding the activities of the underlying fund's investment advisors and underlying funds, like any other asset, will be subject to trading restrictions or liquidity risk. Portfolio investments in underlying funds will generally be charged the proportionate share of the expenses of investing in the underlying fund(s).

Underlying managers are entitled to receive management fees, carried interest, performance-based fees and/or other forms of compensation in respect of underlying funds or investment vehicles, resulting in multiple layers of fees. A Client investing in an underlying fund (including potentially a GC Fund) will generally be charged fees by both the Adviser and the underlying managers. In addition to paying fees at multiple levels, a Client will bear its share of the transaction-related expenses and other operating costs of both the Client and its respective investments (such as the underlying fund in which it invests).

As a result of the pooled nature of the GC Funds, even if a GC Fund's overall performance is negative, one or more of its investments may still have positive performance, and the GC Fund (and therefore its investors, such as a Client) will still be charged an incentive fee by the underlying manager, regardless of the overall performance of the GC Fund. There will generally be no reduction in the Advisory Fees or Investment Management Fees, or any other potential fees or compensation received by the Adviser or one of its affiliates, with respect to the portion of a Client's capital that is invested in the underlying funds.

**Valuation Risk.** The net asset value of a portfolio as of a particular date can be materially greater than or less than its net asset value that would be determined if a portfolio's investments were to be liquidated as of such date. For example, if a portfolio was required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that a portfolio would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of a portfolio. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of a portfolio.

**Volatility Risk.** The prices of a portfolio's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

**The foregoing is only a summary of the potential risks and is not a complete explanation of the risks involved in investing in an investment strategy or engaging the assistance of the Adviser.**

## **Item 9. Disciplinary Information**

Catalytic and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of Catalytic or Catalytic Personnel.

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

The Adviser has certain financial industry affiliations that are material to its advisory business.

General Catalyst Group Management, LLC ("General Catalyst Management", "General Catalyst" or "GC"), an SEC-registered investment adviser is under common control with the Adviser through common ownership. Common ownership can create a conflict of interest. The Adviser believes that conflicts of interest between the two registered advisers as a result of common ownership are mitigated as a result of several factors. For instance, the Adviser's investment professionals are solely dedicated to Catalytic. In addition, the advisers are not direct or indirect competitors for investments or Clients. The Adviser does have a conflict of interest when (i) recommending or investing in private funds managed by General Catalyst (i.e., the GC Funds) or (ii) recommending or investing in portfolio companies of GC Funds; however, the Adviser believes those risks are partially mitigated as Catalytic will only invest Client assets in one or more GC Funds (or portfolio companies thereof) that it deems appropriate and consistent with the Client's investment plan and permitted by applicable law. Catalytic has an incentive to direct Client assets to its related person managed private funds or their portfolio investments as a result of the compensation and fees paid to the related person for managing private funds. See Item 11 for a discussion of conflicts of interest.

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

### **Code of Ethics**

Catalytic maintains a written Code of Ethics that is applicable to all of its partners, officers and employees, as well as certain part-time employees and certain independent contractors (collectively, "Catalytic Personnel"). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Catalytic Personnel and their families and households are permitted to purchase investments for their own accounts, including the same investments as may be purchased or sold for Clients, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are required to file certain periodic reports with the Adviser's Chief Compliance Officer as required by Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the "Advisers Act"). The Code of Ethics helps the Adviser detect and prevent conflicts of interest. Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Catalytic Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware and are required to annually certify compliance with the Code of Ethics.

Catalytic's policies and procedures strictly prohibit engaging in insider trading and misuse of confidential information. If Catalytic Personnel come into possession of material non-public information, Catalytic may not be able to transact in a security or investment held on behalf of a Client, even though such action would otherwise be in the best interest of a Client.

A copy of the Code of Ethics is available to any Client or prospective Client upon written request to: Catalytic Wealth RIA, LLC, 20 University Road, 4<sup>th</sup> Floor Cambridge, Massachusetts 02138.

## **Securities Recommendations**

Catalytic will invest its Clients, directly or indirectly, in one or more private funds managed by its affiliate General Catalyst (i.e., the GC Funds) to the extent permitted by applicable law. This relationship provides a financial incentive and other potential benefits for Catalytic to select GC Funds over private funds and similar accounts managed by unaffiliated investment advisers. In addition, Catalytic may invest in third party funds and accounts, directly or indirectly, that Catalytic, its supervised persons, or related persons has a material financial interest, which presents a conflict of interest in selecting one or more of those third party funds or accounts. Catalytic will at all times make recommendations and investments that are in the Client's best interest and will mitigate and manage these, and other, conflicts of interest through a variety of policies and practices, including the periodic review and assessment of Client investments.

## **Conflicts of Interest**

Catalytic or a person affiliated with Catalytic has, and in the future will likely have, business, family or personal relationships with such private funds, third-party fund managers and their managers, affiliated entities, or key principals. Similarly, affiliates of Catalytic have, and in the future will likely have, business relationships with Clients who invest in GC Funds. These business relationships create conflicts of interest between Catalytic and Clients. Catalytic's goal is to avoid conflicts of interest or address any identified conflict consistent with the best interest of Clients. Addressing identified conflicts includes disclosing such conflicts or mitigating the conflicts through internal controls and review processes.

While Catalytic endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions.

### *Participation or Interest in Client Transactions*

Catalytic Personnel may invest in many of the same securities or assets as the Clients in the same or opposite direction. This practice will give rise to a variety of potential conflicts of interest. To address these conflicts of interest, employees must obtain pre-clearance from the Chief Compliance Officer prior to any reportable security transactions in their personal accounts.

### *Allocation of Investment Opportunities*

In connection with its investment activities, the Adviser will encounter situations in which it must determine how to allocate investment opportunities, including private offerings, across and among various Clients. Catalytic maintains written policies and procedures relating to the allocation of investment opportunities as well as adheres to investment limitations as described in the IMAs.

### *Managed Fund Fees*

Affiliates of Catalytic receive Investment Management Fees and performance fees from the GC Funds. A GC Fund will also from time to time make other payments to the Firm or its affiliates.

Additionally, consistent with each GC Fund’s governing documents (which may include, but are not limited to, the limited partnership agreement, subscription agreements, private placement memorandum and side letters, collectively “Governing Documents”), the GC Funds bear certain expenses incurred by the Firm and/or affiliates of Catalytic in connection with the services provided to the GC Funds. Investment management fees are compensation for investment advisory services rendered to a GC Fund, calculated based on the GC Funds’ net asset value or committed capital amounts, as described in the relevant GC Fund’s Governing Documents (“Investment Management Fee”).

### *Principal Transactions*

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Adviser’s management of the Clients, the Adviser and its affiliates may engage in principal transactions. The Adviser maintains certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Client(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

### *Cross-Transactions*

In certain cases, the Adviser may cause a Client to purchase investments from another Client or may cause a Client to sell investments to another Client, although the Adviser has not in the past engaged in such transactions. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Client may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Client by selling underperforming assets to another Client in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in a GC Fund or other vehicle or account that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates have the potential to receive advisory, management or other fees and/or carried interest or performance-based compensation in connection with their management of the relevant Clients involved in such a transaction and may also be entitled to share in the investment profits of the relevant Clients. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the allocation procedures of the relevant Clients (e.g., the IMAs may provide for the rebalancing of investments at certain times and at a cost set forth in those IMAs so that these Clients’ resulting ownership of investments is generally proportionate to the relative capital or capital commitment of the Client). To the extent such matters are not addressed in the allocation procedures, the Adviser’s Chief Compliance Officer will be responsible for confirming that the Adviser (i) considers its respective duties to each Client, (ii) assesses whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm’s length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction’s terms and conditions.

## *Material, Nonpublic Information*

The Adviser could potentially (and its affiliates from time to time) receive material, non-public information regarding issuers, including through its members who participate on the board of directors of other entities, which in some cases may expose such persons to material non-public information regarding other issuers that may fall within a Client's investment objectives. Under applicable law and policies, employees of the Adviser are generally prohibited from disclosing or using material non-public information for their own personal benefit or for the benefit of any other person, regardless of whether that person is a Client. Accordingly, should an employee of the Adviser obtain material, non-public information with respect to an issuer, he or she is generally prohibited from communicating that information to, or using that information for the benefit of Clients. Accordingly, receipt of material non-public information by the Adviser or its employees may impact the ability of Clients to buy, sell or hold certain investments, which may adversely impact Clients' investment results. The Adviser has no obligation or responsibility to disclose the information to, or use such information for the benefit of, any person (including Clients) even if requested by the Adviser or its affiliates and even if failure to do so would be detrimental to the interests of that person.

## **Item 12. Brokerage Practices**

### **Best Execution**

Catalytic is not affiliated with any custodian or broker-dealer but is party to a services agreement with an unaffiliated custodian and broker-dealer.

Catalytic typically has sole discretion to select broker-dealers or other execution facilities in executing Client trades. In selecting or recommending brokers, most often with respect to trading in publicly-traded securities, Catalytic seeks best execution, which involves a number of qualitative and quantitative factors. In seeking best execution, Catalytic need not solicit competitive bids and does not have an obligation to seek or pay the lowest available commission or execution cost. In selecting a broker, Catalytic takes into account, among other things, the broker's commission rate, execution capabilities and costs, actual experience, efficiency, promptness, financial stability, reputation, confidentiality, and research or other services provided by the broker.

### **Research and Other Soft Dollar Benefits**

Catalytic does not have any formal soft dollar arrangements; however, in the normal course of business, the Adviser receives research customarily made available by broker-dealers to their customers. Catalytic believes that it would obtain such research regardless of the amount of commissions it generates throughout the year, and any receipt of such research will be in accordance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. Certain brokers and custodians utilized by Catalytic provide general assistance to Catalytic, including, but not limited to, technical support, consulting services, waivers of fees, and consulting services related to staffing needs. In selecting a broker, Catalytic considers the scope of general assistance, waivers of fees, and consulting services provided. To the extent Catalytic would otherwise be obligated to pay for such assistance, Catalytic would have a conflict of interest in considering those services when selecting a broker. However, Catalytic's selection is supported by the scope, quality, and price of services to its Clients and not the services that benefit the Firm.

## **Directed Brokerage**

In the situation where a Client directs Catalytic to use a specific broker and Catalytic has not negotiated the terms and conditions (including, but not limited to, commission rates), Catalytic does not have any responsibility for obtaining the best prices or particular commission rates. Catalytic will not seek better execution services or prices from other broker-dealers or be able to aggregate the Client's transactions, for execution through other broker-dealers, with orders for other accounts advised or managed by Catalytic. As a result, Catalytic may not obtain best execution on behalf of the Client, who may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case. If a Client's broker-dealer cannot execute a transaction on the Client's behalf, or in Catalytic's sole discretion, Catalytic determines that the transaction should not be executed by the Client's broker-dealer, Catalytic has a duty of best execution and may aggregate Client transactions, as well as, effect the transaction through a different broker, dealer, or bank, including those affiliated with Catalytic. Other Clients who direct Catalytic to use a specific broker may pay higher commission rates or receive less favorable execution transactions than non-directing Clients.

## **Brokerage for Client Referrals**

Catalytic does not consider, in selecting or recommending broker-dealers, Client referrals from a broker-dealer.

## **Order Aggregation and Allocation of Trades**

Catalytic and its affiliates have several investment strategies and several types of Clients. At times, there will be transactions executed to purchase or sell the same investment in more than one strategy. When there are concurrent transactions across Catalytic managed accounts, Catalytic's objective is to allocate trades equitably and consistent with its duties to Clients. In doing so, Catalytic takes into consideration a number of factors, including, but not limited to, Client objectives, capacity, availability of funds, and consideration of pro-rata allocations. Where possible, Catalytic will aggregate orders of Clients. In situations where aggregated trades are executed in multiple lots at varying prices, each participating Client's proportionate share will reflect the average price paid or received with respect to the aggregate order.

Allocation decisions are made in conformance with basic fiduciary principles, so as to ensure fair and equitable treatment of each Client participating in the aggregated trade. Instances in which Client trades will not be aggregated include, but are not limited to, the following:

- Clients whose account guidelines have certain requirements unique to that Client which would make trade aggregation impractical or not in the best interest of all Clients;
- The timing of the trades entered during the trading day; and
- Traders and/or Wealth Managers determine that aggregation is not appropriate due to market conditions.

The Adviser will rely on the judgment of trading personnel as to what course of action is likely to be fair and in the best interests of the relevant accounts on an overall basis. Transactions involving commingled orders will be allocated in a manner deemed equitable to each account. The Adviser



seeks to avoid putting any Client account at an advantage or disadvantage compared to the Adviser's other Client accounts that are buying or selling the same security. When a combined order is executed in a series of transactions at different prices, each account participating in the order will typically be allocated an average price obtained from the executing broker. To help ensure the equitable distribution of investment opportunities among its Clients, Catalytic has adopted written trade allocation guidelines for Catalytic Personnel.

### **Item 13. Review of Accounts**

Catalytic's investment professionals routinely review portfolios to monitor performance, liquidity, and suitability of investments as well as assess investment opportunities for Clients and determine whether rebalancing or reallocations are warranted. Such reviews are typically performed on a monthly basis. Similarly, the performance of third-party investment funds is monitored on a regular basis and is subject to ongoing supervision and review by Catalytic's investment professionals. Clients also receive annual audited financial statements for the GC Funds in which they are invested.

A Client's custodian typically provides quarterly reports to the Client showing the assets held in each Client account at the relevant custodian, the market value, and each account's performance for the quarter. Certain assets, such as private investments, will not be held in a custodial account and any valuations or reports related thereto shall be provided by the Adviser or the underlying manager of such private investments.

Moreover, Clients should be aware that it is possible that certain independent systems used by the Adviser or provided to, or used by, a Client may reflect slightly different values for certain securities in a Client's account as opposed to what the Client receives in its custodial statement, which may come as a result of different accrual methodologies, for example. However, a Client's custodial statements shall serve as the official books and records for the Client's account, regardless of whether a lower valuation is provided.

Clients have periodic meetings with one of Adviser's professionals to discuss their portfolios, and will receive reports, including balance and performance information, in connection with these meetings.

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

Catalytic does not receive any economic benefit from any third party for providing advisory services. In certain instances, Catalytic expects to refer Clients to other service providers, including insurance providers, and will be paid a referral fee or percentage of revenue share for such referral.

Catalytic expects to have arrangements in place with certain third-party promoters, under which such promoters refer clients to us in exchange for a percentage of the advisory fees we collect from such referred clients. Such compensation creates an incentive for the promoters to refer clients to us, which is a conflict of interest for the promoters. Rule 206(4)-1 of the Advisers Act addresses this conflict of interest by, among other things, requiring disclosure of whether the promoter is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with the promoter. We require promoters to disclose to referred clients in writing whether the promoter is a client or a non-client; that the promoter will be compensated for

the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral.

### **Item 15. Custody**

While Catalytic is not a qualified custodian and does not generally have custody of Client assets, Catalytic is deemed to have custody of some of its Clients' assets in accordance with Rule 206(4)- 2 under the Advisers Act ("Custody Rule") because Catalytic (i) has authority to deduct its advisory fees out of Client Accounts, (ii) in some cases may have the ability to transfer funds through the use of a standing letter of authorization, and (iii) its affiliate General Catalyst will have custody of assets invested in any GC Fund.

Clients' funds and securities are maintained at all times in a separate account by a qualified custodian. Catalytic and the Clients receive statements from the custodians and Catalytic uses those statements to create quarterly reports for its Clients. In cases where Catalytic has custody over Client accounts because it is given authority to move assets out of those accounts, Catalytic would follow the requirements of the Custody Rule including obtaining independent verification of the assets in the accounts and maintaining the assets at a qualified custodian that sends statements directly to Clients at least quarterly. In those situations, Clients will receive account statements directly from the broker-dealer or bank acting as custodian, and Clients should carefully review those statements. Clients should compare the statements they receive from the custodians to all statements, reports and information they receive from Catalytic.

On occasion, Catalytic provides Clients with separate reports or certain information about the account. Clients should compare these carefully to the account statements received from the custodian. If Clients discover any discrepancy between the account statement provided by Catalytic and the account statement provided by the custodian, they should contact Catalytic immediately.

Catalytic's Clients use their custodians to provide custody, trading and other services as it relates the terms of the IMA. Different custodians offer higher or lower trading costs and overall service offerings differ from custodian to custodian.

### **Item 16. Investment Discretion**

Each IMA generally authorizes Catalytic to invest and trade the Client's assets in a broad range of investments, to be selected at Catalytic's sole discretion, with no specific limitations as to type, amount, or concentration. Catalytic will enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate, including, in cases where it deems to be in the Client's best interests, allocating to GC Funds. Each Client authorizes Catalytic to execute certain documents necessary to facilitate the Client's investments. In making investments on behalf of Clients, Catalytic exercises its discretion in a manner consistent with the Client's stated goals and investment objectives.

In limited circumstances, Catalytic may enter into an IMA that only grants it non-discretionary authority whereby Catalytic must obtain a Client's approval before executing on an investment recommendation.

## **Item 17. Voting Client Securities**

The Adviser will vote Client proxies where such responsibility has been properly delegated to (via the IMA) and assumed by the Adviser. The Adviser casts proxy votes in a manner consistent with the best interest of Clients. In the event that the Adviser has authority to vote proxies for a Client, the Firm expects to delegate the responsibility to review proxy proposals and make voting recommendations to a non-affiliated third-party vendor. Proxies will be voted consistent with our Proxy Voting Policies and Procedures. The Adviser will use reasonable efforts to ensure that the third-party vendor has developed policies and procedures that ensure that Client proxies are voted in the best interest of the Clients. Clients may retain the authority to vote all proxies in their account, but a Client may not otherwise direct Catalytic's vote for particular solicitations.

If Catalytic becomes aware of any type of potential or actual conflict of interest relating to a particular proxy proposal, Catalytic's Chief Compliance Officer will be responsible for resolving the conflict. Catalytic can resolve the conflict in a number of ways depending on the type and materiality. The method selected by Catalytic will depend upon the facts and circumstances of each situation and the requirements of applicable laws.

At any time, Clients may contact Catalytic to request information about how we voted proxies for that Client's securities or to obtain a copy of our Proxy Voting Policies and Procedures.

## **Item 18. Financial Information**

The Adviser does not have any financial conditions that are likely to impair its ability to meet contractual commitments to its Clients.