



KXTER FUND ONE LLC

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

THE OFFERING OF SECURITIES DESCRIBED IN THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. AN INVESTOR SHOULD BE PREPARED TO BEAR THE ECONOMIC RISK OF AN INVESTMENT IN SUCH SECURITIES FOR AN INDEFINITE PERIOD OF TIME BECAUSE THEY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE LAWS OF ANY OTHER JURISDICTION, AND, THEREFORE, CANNOT BE SOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

September 1, 2015

KXTER FUND ONE LLC

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

September 1, 2015

KXTER FUND ONE LLC, a Delaware limited liability company (the “**Fund**”), is offering limited liability company membership interests (the “**Interests**”) in the Fund in a private offering (the “**Offering**”) under the Securities Act of 1933, as amended (the “**Securities Act**”). The Fund is targeting the sale of approximately US\$25 million of Interests; however, the Fund may increase the size of the Offering, and there is no minimum subscription amount required for the Fund to hold its initial closing. Upon holding its initial closing, additional approved subscribers will be admitted to the Fund at one or more closings held within twelve months after the Fund’s initial closing. The Offering is made pursuant to the private placement exemption of the Securities Act as a transaction not involving a public offering or under another available exemption under the Securities Act.

The Offering will terminate upon the close of business on the date twelve months after the Fund's initial closing.

This Confidential Private Placement Memorandum (this “**Memorandum**”) is submitted to the offeree (the “**Offeree**”) for confidential use solely in connection with the Offeree's consideration of the Offering. This Memorandum may not be used for any other purpose and may not be reproduced or redistributed in whole or in part. By accepting this Memorandum, the Offeree agrees that the Offeree shall not disclose its contents to third parties (other than the Offeree's legal counsel, accountants and professional advisers) without the prior written consent of the Manager. The Offeree agrees to return this Memorandum and any accompanying documents to the person from whom it was received in the event the Offeree determines not to purchase any of the offered Interests. This Memorandum is not, and should not be construed as, a public offer to sell or a public solicitation of an offer to buy Interests.

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KXTER FUND ONE, LLC

I. NOTICE TO PROSPECTIVE INVESTORS

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THIS “**MEMORANDUM**”) IS BEING FURNISHED TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS ON A CONFIDENTIAL BASIS FOR THE SOLE PURPOSE OF EVALUATING AN INVESTMENT IN LIMITED LIABILITY COMPANY MEMBERSHIP INTERESTS (THE “**INTERESTS**”) IN KXTER FUND ONE LLC (THE “**FUND**”) AND MAY NOT BE USED FOR ANY OTHER PUPOSE. THIS MEMORANDUM MAY NOT BE REPRODUCED OR PROVIDED TO OTHERS WITHOUT THE PRIOR WRITTEN CONSENT OF KXTER ADVISORS LLC (THE “**MANAGER**”). UPON REQUEST, THE MEMORANDUM MUST BE RETURNED TO THE FUND. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, EACH PROSPECTIVE INVESTOR AGREES TO THE FOREGOING.

THE INTERESTS HAVE NOT BEEN REGISTERED WITH OR RECOMMENDED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER GOVERNMENTAL OR SELF-REGULATORY AGENCY. NO GOVERNMENTAL OR OTHER AGENCY HAS PASSED ON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE INTERESTS IN THE FUND ARE EXPECTED TO BE OFFERED ONLY TO INVESTORS WHO ARE “ACCREDITED INVESTORS” FOR PURPOSES OF THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) AND RULES PROMULGATED THEREUNDER. THE INFORMATION CONTAINED HEREIN IS FURNISHED FOR INFORMATIONAL PURPOSES ONLY. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL INTERESTS; SUCH AN OFFER CAN BE MADE ONLY DIRECTLY BY THE MANAGER.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX, INVESTMENT, OR ACCOUNTING ADVICE. PROSPECTIVE INVESTORS ARE URGED TO CONSULT WITH THEIR OWN ADVISORS WITH RESPECT TO LEGAL, TAX, REGULATORY, FINANCIAL, AND ACCOUNTING CONSEQUENCES OF THEIR INVESTMENT IN THE INTERESTS.

THE FUND’S INVESTMENTS WILL BE CHARACTERIZED BY A HIGH DEGREE OF RISK, VOLATILITY AND ILLIQUIDITY. A PROSPECTIVE INVESTOR SHOULD THOROUGHLY REVIEW THE INFORMATION CONTAINED HEREIN, THE TERMS OF THE FUND’S LIMITED LIABILITY COMPANY OPERATING AGREEMENT (THE “**FUND AGREEMENT**”) AND THE SUBSCRIPTION AGREEMENT RELATING TO THE PURCHASE OF INTERESTS, AND CAREFULLY CONSIDER WHETHER AN INVESTMENT IN THE FUND IS SUITABLE TO THE INVESTOR’S FINANCIAL SITUATION AND GOALS.

CERTAIN ECONOMIC AND MARKET INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM PUBLISHED SOURCES PREPARED BY OTHER PARTIES. WHILE SUCH SOURCES ARE BELIEVED TO BE RELIABLE, NEITHER THE FUND, THE MANAGER, NOR THEIR AFFILIATES ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. NEITHER DELIVERY OF THIS MEMORANDUM NOR ANY STATEMENT HEREIN SHOULD BE TAKEN TO IMPLY THAT ANY INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY STATEMENT CONCERNING THE FUND OR THE SALE OF INTERESTS DISCUSSED HEREIN OTHER THAN AS SET FORTH IN THIS MEMORANDUM, AND ANY SUCH STATEMENTS, IF MADE, MUST NOT BE RELIED UPON.

IN CONSIDERING THE PRIOR PERFORMANCE INFORMATION CONTAINED HEREIN, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE COMPARABLE RESULTS.

CERTAIN STATEMENTS IN THIS MEMORANDUM CONSTITUTE FORWARD-LOOKING STATEMENTS. WHEN USED IN THIS MEMORANDUM, THE WORDS "PROJECT," "ANTICIPATE," "BELIEVE," "ESTIMATE," "EXPECT," AND SIMILAR EXPRESSIONS ARE GENERALLY INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS, INCLUDING THE INTENDED ACTIONS AND PERFORMANCE OBJECTIVES OF THE MANAGER, THE FUND, OR ANY PORTFOLIO COMPANY REFERENCED HEREIN, INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS OF THE MANAGER, THE FUND, OR ANY PORTFOLIO COMPANY OF THE FUND TO DIFFER MATERIALLY FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS IN THIS MEMORANDUM SPEAK ONLY AS OF THE DATE HEREOF. THE FUND AND THE MANAGER EXPRESSLY DISCLAIM ANY OBLIGATION OR UNDERTAKING TO DISSEMINATE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN ITS EXPECTATION WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS, OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED

THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS, AND ARE NOT BEING OFFERED OR SOLD TO THE PUBLIC, BUT ARE PART OF A PRIVATE PLACEMENT TO A LIMITED GROUP OF OFFEREES WHO QUALIFY FOR INVESTMENT IN THE FUND. FURTHERMORE, THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT. CONSEQUENTLY, INVESTORS WILL NOT BE AFFORDED CERTAIN OF THE PROTECTIONS OF THE SECURITIES ACT AND THE INVESTMENT COMPANY ACT. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT IF AND TO THE EXTENT PERMITTED UNDER THE FUND AGREEMENT AND UNDER APPLICABLE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE SUMMARY OF KEY INVESTMENT TERMS CONTAINED IN THIS MEMORANDUM IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FUND AGREEMENT AND THE SUBSCRIPTION AGREEMENT RELATING TO THE PURCHASE OF INTERESTS.

ADDITIONAL INFORMATION MAY BE OBTAINED FROM THE MANAGER.

II. EXECUTIVE SUMMARY

KXTER FUND ONE LLC (the “**Fund**”), is a Delaware limited liability company. The Fund’s investment objective is to seek to earn long-term risk-adjusted returns that are attractive as compared to those of traditional public equity and Internet based blind investment pools (hereinafter referred to as “**Crowdfunding Sites**”).

The Fund intends to pursue its investment objective by investing its assets, directly or indirectly, in high quality emerging companies alongside the world’s leading venture capital firms, angel investor networks and accelerators. Specifically the Fund expects to make investments in predominantly early and venture stages, as well as select seed investments in consumer Internet, software, artificial intelligence, automation & instrumentation, consumer products, energy, media, food & beverage, health care/life sciences, financial technology, internet related, telecommunications, other segments and emerging technologies with high growth opportunity and may also consider investing in other ventures where the business proposition is compelling. The Fund expects to invest directly, indirectly via special purpose vehicles formed to invest in a single company (“**SPVs**”), through or alongside existing venture capital firms, angel investor networks, accelerators and crowdfunding sites. The Fund will maintain a specific geographic focus on companies based in the United States, with a focus on California and the larger San Francisco Bay Area. The Fund seeks to finance exceptional startups while creating true lasting relationships with our founders and entrepreneurs.

The Fund's approach focuses on taking early stage risk right alongside company founders and entrepreneurs, helping them build businesses that will last and grow for years to come. This approach will be coupled with a diversification investment model, satisfying the large demand for seed stage capital by entrepreneurs, whilst protecting early stage investor money and providing uniquely qualified deal flow to our members. The Fund plans to target direct investments in companies as well as indirect investments through SPVs and other investment vehicles that present significant market opportunities for our investors.

The Fund is seeking total capital commitments of approximately \$25 million to finance a portfolio of highly capital efficient businesses over a five to ten year period, filling the largely unaddressed niche within the venture capital industry – the seed and Series A stage sector. The goal of the Fund is to address inefficiencies at this seed stage of the private equity financing continuum, helping fund, develop and grow successful and sustainable companies from the earliest stages of company formation, through fundable mid and late stage company maturities, and onto successful liquidation events.

The Fund's management team possesses a strong track record in starting and exiting startups, corporate finance, venture capital as well as mentoring seed stage companies. The deal flow, experience, venture capital contacts and strategic relationships that flow from this track record offer the Fund and its investors a unique opportunity to identify unique business opportunities in a crowded market of high demand for capital by entrepreneurs, and low supply of available and sophisticated seed stage capital by institutions.

The members of the Fund's management team, through investing capital of their own -- have previously invested in or have been founders of seven startup opportunities, all from the seed stage level of company formation. Six of these companies were acquired in successful M&A transactions and one provided liquidity to its investors via an initial public offering. Prior to their sale, all had achieved successful up-rounds of funding and were cash-flow positive and/or revenue generating enterprises. The Fund's ambitions are rooted in the more than 20+ years of finance, industry and entrepreneurial experience of the management team.

III. A NEW MODEL: THE CROWDFUNDED VENTURE FUND

Given the inherent disadvantages of making investments on the Internet, in particular high risk venture investments on crowdfunding sites, the Fund's goal is to assist in hedging risk for our investors but also to provide diversification over multiple sources and platforms. In particular the Fund will seek to take advantage of strategic relationships that allow for access to investment opportunities that may not be readily available to an individual investor with limited access and means.

Specifically, in addition to providing capital investment, the Fund's principals and advisors are prepared to lend their expertise and network resources to ensure that the basic building blocks are in place so each of the Fund's portfolio companies (each, a "**Portfolio Company**") can build its business, making these Portfolio Companies more attractive investments to venture capitalists and more 'VC compliant' and also more able to stand on their own sooner than if they were self-funded or funded

through a crowdfunding platform. Moreover, because the Fund’s principals, associates and advisors can spend far more time with our entrepreneurs on both pre and post funding business issues, there is the opportunity to know and understand our founders, their needs and goals and company objectives at a level that is much deeper than many other blind pool funds being offered on the Internet. This deep exposure, intimate knowledge and consistent visibility inside a startup investment is a fundamental and key differentiator between the Fund’s approach and all others – and has already helped the Fund and its management team develop a brand and reputation as a trusted source of capital and strategic advice for early stage entrepreneurs.

IV. MARKET OPPORTUNITY

As crowdfunding websites, focused mostly on pre-seed funding, commit increasing amounts of capital to new ventures, and venture capital firms further retreat to later stage rounds, the demand for go-to-market funding (also known as Series Seed or Series A rounds) is expected to grow as well, dramatically increasing the funding gap. The Fund intends to fill a portion of this funding gap by making investments in companies at this early go-to-market stage of development, as well as select seed stage opportunities. By being independent from existing crowdfunding sites and accelerators we maintain the freedom to select the most promising investments from all relevant platforms, networks, angel and accelerator groups as well as portfolios of leading venture capital firms.

Our management approach and expertise in nurturing companies through this funding gap should yield an exceptional amount of deal flow for go-to-market opportunities. Moreover, the opportunity created by matching mentored, funded and maturing early stage companies with later stage VCs willing to place their capital in follow-on financings, should allow a sophisticated ‘feeder fund’ to help serve the needs of a venture capital industry still largely overcapitalized with excess mid and later stage funds.

V. INVESTMENT STRATEGY

Diversification

The Manager anticipates that approximately eighty percent (80%) of the Fund’s investment capital will be invested in Series Seed / Series A stage opportunities alongside or in syndication with existing venture capital funds (the “**Venture Investments**”); and approximately twenty percent (20%) of the Fund’s investment capital will be invested in seed stage opportunities, primarily alongside or with angel and accelerator funds based in California (the “**Innovation Investments**”).

For Venture Investments, we assume that the involvement of a third party venture capital firm will have mitigated a reasonable portion of the risks and milestones associated with this type of investment. There would still be significant technology and execution risk and we expect to understand these remaining risks well. Also at this stage, commercial market performance parameters will be defined to provide a relatively clear understanding of what remains in terms of commercial product development. Like any venture investment, there may still be gaps in the complete picture and business

plan, but clear identification of the key success variables and missing pieces should have been completed with specific market traction (whether users or revenues) having been accomplished.

For Innovation Investments, which include angel, accelerator and incubator funds, we are looking for entrepreneurs that can identify new ideas that may have a significant chance of succeeding, coupled with good teams that can execute. We do not expect complete plans, but the key technology risks and economic and market benefits must have been identified. We want to see the possibility of significant risk elimination at the lowest possible cost.

Management Qualities

The Fund will seek opportunities in which a strong management team is in place to guide development of the core technology and the organization needed to realize the company's market potential. Factors that we believe define a strong management team include but are not limited to, the level of education and/or industry insight and knowledge of the founders, leadership capabilities of the senior management team, historical ability to reach milestones, problem solve on the fly, coupled with an ability to maintain cost control.

Technology Qualities

If the opportunity requires a new or innovative core technology, it must offer substantial and sustainable differentiation and should have defensible intellectual property protection. It is expected that a company's underlying technology will have been validated and working product prototypes will be under development or in a beta stage.

Due Diligence

Ultimately, the Fund's goal is to support those companies that have the ability to successfully grow to cash flow positive and/or where follow on investors are attracted to provide the significant additional capital needed for full market commercialization at significant incremental valuations.

The Fund will endeavor to apply a focused approach to evaluating companies and SPVs with a more rigorous due diligence processes than an individual investor on a crowdfunding site could hope to achieve. Moreover, our management team with entrepreneurial, academic, business and technical backgrounds and experience will cut across many sectors, and bring valuable insight into the strength of the underlying technologies and management of the companies we consider for investment, resulting in greater visibility into company operations, board representation, comprehensive term sheet negotiations and qualified funding agreements, while participating in a pool of reserved capital to allow for follow-on funding opportunities. Additional connections to mid to later stage VCs means that early stage investors can also reduce their risk that early stage investments might be depleted of cash prior to follow-on rounds of funding.

Staged Investments

Our experience tells us that most entrepreneurs do better with smaller successive rounds of follow-on capital, forcing company management to learn cash conservation, prove product viability, execute product pivots before major expenditures, or to conduct a fast failure with the least amount of capital losses. The Fund's goal is to maintain available follow-on funding through additional capital reserves to help protect the Fund's equity position in future VC rounds, while offering entrepreneurs extra runway to further expand their business models prior to follow-on rounds of financing.

Venture Industry Relationships

Market trends indicate that VCs are more and more looking to deploy larger amounts of capital per round while still seeking to reduce earliest stage risk within their investment portfolios. Because of this VCs are facing an increasingly competitive market for deal flow, and are, more than ever before, seeking maturing startups with clean capital structures, talented and financially responsible management teams, validated technologies, and business models that have an increasingly shorter time horizon to exit opportunities.

The Fund has established relationships with managing partners of several top tier VCs. We believe these VCs will refer the Fund deals that are too early for their own funding parameters, and that they will also serve as future funding sources for the Fund's maturing portfolio. This community of VCs is also expected to play an important role in the Fund's due diligence process by helping to create specific milestones for our entrepreneurs to reach given defined expectations for what they might choose to fund, and at what level of company maturity, going forward.

VI. MANAGEMENT TEAM

The Fund's management team is comprised of both experienced principals and sophisticated advisors and associates who contribute to all elements of startup funding and, more importantly, to developing and building businesses internally from the ground up. The Fund's management team includes:

Thomas Schneider, Managing Partner, is one of North America's leading energy and technology entrepreneurs. Most recently he was Schneider Power's founding CEO and grew the company's portfolio to \$2.3 billion dollars (1,000+ Megawatt) of power generation facilities under development before moving into his current role as Managing Partner of Kxter Advisors LLC.

Mr. Schneider is the great-great grandson of Energy and Electricity industrialist Josef Schneider Sr. who brought electric light to the world in 1892 by building the first run of the river hydro damn. Thomas founded a Montreal based record label while attending McGill University's Desautel Faculty of Management. After earning a bachelor's degree in Finance and International Business, Thomas made the move to Toronto, to launch Line Entertainment Holdings Inc. Line became one of the leading North American music, television, marketing and media consulting firms that catered to clients such as Sir Richard Branson's Virgin Group, Twentieth Century Fox Film Corporation and L.V.M.H. Line would eventually be sold to a private investor in November, 2003.

Seeing an opportunity in the 2003 blackout that left the entire east coast in the dark and already owning a minority share in one of Germany's largest wind farms, Thomas founded Schneider Power Inc. on April 14th, 2004, raising venture capital from some of America's leading VC's including Investeco, Trapeze Asset Management and billionaires Stephen Bronfman (Claridge Inc.) and Dori Segal from Gazit Globe (NYSE:GZT). Schneider Power grew to become one of the leading independent power producers in North America, and a licensed electricity generator. With the launch of Schneider Power USA and Schneider Power Caribbean, Thomas took Schneider Power public on the Toronto Venture Exchange (TSXV:SNE) in September of 2008. The Company was eventually sold to Irvine, California based Quantum Technologies (NASDAQ:QTWW) in April 2010.

Nominated as Entrepreneur of the Year 2010 by Ernst & Young, Thomas' work has garnered several awards including, the prestigious 2001 Golden Web Award for best Web Design, and US and Canadian marketing awards such as the 2000 Summit Award and the 2000 Spirit Award. Thomas is a published author and a member of the Entrepreneurs Organization (EO) - a global, by invitation only, association of 7,500 entrepreneurs in 38 countries whose total sales worldwide add up to more than US\$124 billion dollars.

Thomas holds a Bachelor of Commerce degree in Finance and International Business from McGill University, Montreal, as well as a certificate in Business Law from the University of Toronto. He holds advanced level certificates in Mathematics, Physics and Chemistry from the University of London, England and the IGCSE from University of Cambridge, England.

Rickard Antblad, Managing Partner. Prior to joining the Manager Mr. Antblad worked as Program Director for Bacardi Global, driving strategic change and business transformation projects across the full portfolio of brands. This followed a twelve year career at Procter & Gamble in various leadership roles in Interactive Marketing and Brand Identity/Packaging Processes; with a strategic focus of identifying and driving improvement.

Rickard has a Master of Science Degree in Industrial Engineering and Business Management from the Royal Institute of Technology, Stockholm, Sweden and participated in the exchange program at the Technical University of Eindhoven, The Netherlands. Rickard also served as Platoon Leader in the Military Service Engineering Corps prior to entering the workforce.

John Ng, Chief Financial Officer. Mr. Ng is a Certified Public Accountant and our Chief Financial Officer. Mr. Ng. has taken three companies public in his career and served over 14+ years in the capacity of Chief Financial Officer for a public company. Prior to joining the Fund he was the Chief Financial Officer of Tenth Power Technologies Corp. Mr. Ng previously worked with the current management team as Chief Financial Officer of Schneider Power Inc. where he was instrumental in the IPO process of the company. Prior to this he served as Senior Financial Analyst for Dell Computer Corporation and as an auditor for PriceWaterhouseCoopers.

John has a Bachelor of Mathematics from the University of Waterloo, and has also qualified as a Certified Public Accountant and Canadian Chartered Accountant.

Alan P. Niedzwiecki, Senior Advisor. Mr. Niedzwiecki has served as our advisor since April 2014. Alan has raised in excess of \$1 billion in both debt and equity for various companies around the world. Prior to joining us he served as President and Chief Executive Officer of Quantum Fuel Systems (NASDAQ:QTWW) since August 2002. From February 1990 to October 1999, Mr. Niedzwiecki was President of NGV Corporation, an engineering and marketing/commercialization consulting company. In this capacity, he worked with companies and organizations such as Shell, World Bank, EDO Aerospace (ITT Corporation), and Dynetek Industries.

Mr. Niedzwiecki has more than 25 years of experience in corporate finance, energy, and technology development and commercialization. Mr. Niedzwiecki also served as Chairman of Schneider Power Inc. since March 2012 and as a Director of WestStart - CALSTART, Inc. Mr. Niedzwiecki is a graduate of Southern Alberta Institute of Technology.

James Brett, Senior Advisor. Mr. Brett is a self-made millionaire and serial entrepreneur, having started in the presentation and events industry in his teens, James Brett continues to be an innovator throughout his career. James was raised in the UK, the Netherlands and Canada and founded Mediacore 20 years ago (now Frischkorn AV). He has built an enterprise with five North American offices serving high profile clients such as the White House, the Olympic Movement, the Emperor of Japan and HRH Queen Elizabeth II of England. In the past two decades, Mr. Brett has also successfully founded and divested of other ventures including Online Broadcasting Corporation, Syon Communications and Fair Disclosure Financial Network to Thomson Reuters Corp. Mr. Brett brings truly innovative solutions, and mission critical execution to the corporate finance experience with the highest degree of discretion. Mr. Brett continues early stage investing through his venture capital fund in various diverse industries including Financial Services, Entertainment and Special Events.

Francesco Matteini, InnReg Compliance. The Fund's Manager has engaged InnReg, a premier provider of operations and compliance consulting services. For the last twenty years, InnReg has designed compliance systems and obtained regulatory approvals for innovative products in the financial services sector, including the first broker-owned social media platform focused on trading and investing. The company is headed by Francesco Matteini who previously helped launch TradeKing and Zecco as the firms' Chief Compliance Officer; merging them into the sixth largest online broker in the US with 500,000 customers and \$2.6 Billion in assets. Francesco has managed regulatory relations with regulatory agencies such as SEC, FINRA and NFA. Francesco holds a Masters in Public Administration from Harvard University's John F. Kennedy School of Government and a J.D. from Italy's Università degli Studi.

VII. SUMMARY OF KEY INVESTMENT TERMS

The following summarizes the principal terms of an investment in the Fund, and is qualified in its entirety by reference to the Fund Agreement and the subscription agreement relating to the purchase of an Interest in the Fund, all of which should be carefully reviewed prior to making an investment decision.

<i>The Fund</i>	Kxter Fund One LLC (the “ Fund ”), a limited liability company organized under the laws of Delaware for the purpose of making equity and equity-related investments in early and growth stage companies and investing in other private investment vehicles with a similar investment focus, including without limitation vehicles formed to invest in a single company (“ SPVs ”).
<i>Manager</i>	Kxter Advisors LLC, a Delaware limited liability company (the “ Manager ”), will be the manager of the Fund. The Manager will exclusively manage and control the affairs of the Fund, and will have the authority to act on behalf of the Fund and to bind the Fund in all matters. The principals of the Manager that will be primarily responsible for the Fund’s investment activities will be Thomas Schneider and Rickard Antblad (the “ Principals ”).
<i>Sector Focus</i>	Consumer Internet, software, artificial intelligence, automation & instrumentation, consumer products, energy, media, food & beverage, health care/life sciences, financial technology, Internet related, telecommunications, other segments and emerging technologies with high growth opportunity and other ventures where the business proposition is compelling.
<i>Anticipated Deal Size and Number of Deals</i>	Initial investments: \$25,000 - \$500,000; Follow-on investments: \$500,000 - \$1,000,000; Number of investments: approximately 100 deals over life of the Fund.
<i>Fund Investors</i>	Investors in the Fund (“ Members ”) will consist of institutions, companies and individuals who are “accredited investors” within the meaning of the United States Securities Act of 1933, as amended.
<i>Size of the Offering</i>	The Fund is offering up to \$25 million of limited liability company membership interests (the “ Interests ”). However, the Manager may increase or decrease the size of the offering. There is no minimum size of the Fund.
<i>Minimum Subscription</i>	Unless the Manager otherwise consents, the minimum capital commitment for a Member will be \$5,000. The Manager may reject the offer of a subscription for any reason.
<i>Term</i>	The Fund’s term will continue until the tenth anniversary of the Final Closing Date, unless terminated sooner upon the happening of certain events as set forth in the Fund’s limited liability company operating agreement (the “ Fund Agreement ”), subject to extension of up to two

additional one-year periods by the Manager in the discretion of the Manager.

Closings

The Manager may hold the Fund's initial closing (the "**Initial Closing**") upon receiving aggregate capital commitments of any amount, and will do so as soon as practicable. The Manager may, in its sole discretion, hold one or more subsequent closings until the one-year anniversary of the Initial Closing (the "**Final Closing Date**"). Each Member that participates in a closing subsequent to the Initial Closing will be required to contribute its proportionate share of all prior capital drawdowns.

Reinvestment of Capital

Proceeds from the sale or other disposition of investments other than short-term investments of excess cash generally will not be subject to reinvestment without the written consent of a majority-in-interest of the Members.

Management Fee

The Fund will pay the Manager an annual management fee (the "**Management Fee**"), which will be payable quarterly in advance, pro-rated for partial quarterly periods, and will equal 1.5% of the aggregate capital commitments of the Members per year.

Management Fee Waiver; Manager Contributions

In advance of any fiscal year, the Manager may elect to substitute all or any portion of the Management Fee for such fiscal year by a special allocation of an equal amount of profit. At the time of any such election, the Manager shall further elect the extent to which such profit shall be immediately distributed upon allocation, and to the extent the Manager elects not to so distribute such profit, such amount shall be credited towards the Manager's capital commitment (if any).

Expenses

Each Member will be solely responsible for its own legal and tax counsel expenses and any out-of-pocket expenses incurred in connection with its admission to, or the maintenance or transfer of its interest in, the Fund.

The Manager will be responsible for all of its own normal and recurring routine operating expenses, such as compensation of its professional staff and the cost of office space, office equipment, communications, utilities and other such normal overhead expenses.

The Fund shall bear all third party operating expenses incurred in connection with the organization, syndication, formation, management, operations, and liquidation of the Fund, including, but not limited to, all costs and expenses incurred in the holding, purchase, sale or exchange of securities (whether or not ultimately consummated), expenses associated with Fund communications with Members, all legal, accounting, tax,

consulting and professional services fees and expenses (including tax preparation) relating to the Fund and its activities or regulatory compliance of the Manager in connection therewith, placement agent fees and commissions of registered broker-dealers and similar platform-based marketing or transaction fees and expenses (not to exceed 1.0% of the Fund's aggregate committed capital), consulting and advisor fees and expenses relating to investments or proposed investments, fees and expenses relating to finance and accounting services, audit and accounting fees, taxes applicable to the Fund on account of its operations, fees incurred in connection with the maintenance of bank or custodian accounts, the cost of liability and other premiums for insurance, and all fees, costs and expenses relating to indemnification obligations of the Fund and litigation and threatened litigation involving the Fund. If the expenses of the Fund (including, without limitation, any expenses related to indemnification obligations of the Fund or litigation or threatened litigation) exceed the cash expense reserves of the Fund (as reasonably determined by the Manager), the Manager or its affiliate may pay such expenses on behalf of the Fund and seek reimbursement from the Fund, and the Manager shall be permitted to (i) offset distributions (including in kind distributions) to be made to the Members on a pro rata basis and recover any such unreimbursed expenses, or (ii) sell securities held by the Fund and apply the proceeds towards the payment of such expenses.

***Incurrence of
Indebtedness***

The Fund may not incur any indebtedness other than to pay expenses or short-term borrowings to fund Members' capital contributions on an expedited basis, or in connection with a remedy provided in the Fund Agreement related to a Defaulting Member. If a Member's capital contributions are "bridged" by such short-term borrowings, the Members whose capital contributions were so "bridged" shall be responsible for the costs of such borrowings.

Distributions

The Manager may distribute cash, securities or other Fund assets from time to time in its sole discretion to the Members in proportion to their capital commitments.

***Allocation of Profit and
Loss***

Income, expense, gain and loss of the Fund will generally be allocated to the Members in a manner consistent with the priority of distribution set forth above.

Tax Distributions

The Manager may determine in its discretion to cause the Fund to advance tax distributions to Members who have been allocated taxable income amounts.

Co-Investment by Members

The Manager may, in its sole discretion, provide select Members with co-investment opportunities on a case by case basis.

Drawdowns

Capital commitments generally will be drawn down as necessary to fund investments and to meet Fund expenses and obligations. The Manager shall have sole discretion as to the amount and timing of such drawdowns, including without limitation the discretion to call for any portion, or the entire portion, of the balance of a Member's capital commitment. Except in connection with a Fund closing, which may involve an immediate drawdown of the capital commitment of a Member participating in such closing, a minimum of ten business days' notice for capital calls (a "**Drawdown Notice**") will be given by the Manager.

Defaulting Members

Any Member that fails to contribute the full amount specified in a Drawdown Notice within ten business days of the specified due date or any other payment required to be made by it to the Manager or the Fund may be deemed a defaulting member (a "**Defaulting Member**") at the discretion of the Manager. The Manager in its sole discretion may waive or permit the cure of the condition causing such default subject to such conditions upon which the Manager and such Member may agree. A Defaulting Member will be subject to all available remedies the Manager or Fund may pursue at law or in equity as well as specific remedies provided in the Fund Agreement.

Transfers; Withdrawals

All proposed transfers of Fund interests will be subject to the consent of the Manager, which consent may be granted or withheld in the sole discretion of the Manager. The Fund interests will be subject to restrictions on transfer designed to satisfy applicable securities and tax law considerations. Proposed transferees of Fund interests will be required, among other things, to demonstrate sufficient financial wherewithal to meet remaining capital commitment obligations. Voluntary withdrawal by Members from the Fund will generally not be permitted. In certain circumstances described in the Fund Agreement, a Member may be removed by the Manager.

Termination

Upon termination, the Fund's affairs shall be wound up and the assets of the Fund shall be distributed in in the following order of priority:

- (i) First, to the creditors of the Fund (other than the Members) in satisfaction of the liabilities of the Fund, in the order of priority established by law, either by payment or the reasonable provision for payment thereof;
- (ii) Second, to the Members, in repayment of any loans made to, or other debts owed by, the Fund; and

(iii) Third, to the Members in respect of the positive balances in their applicable capital accounts.

***Conflicts; Other
Activities and Fees***

The Manager is only required to devote such time to the Fund's affairs as it determines to be necessary in its reasonable judgment. The Manager may organize or be associated with other investment funds with objectives similar to those of the Fund with no duty to account to the Fund or the Members and without regard to whether the interests of such investment funds conflict with those of the Fund. The Manager shall not be obligated to disclose or refer to the Fund any particular investment opportunity, whether or not such opportunity is of a character which could be undertaken by the Fund. The Fund may own investments in companies in which the Manager or an affiliate owns an interest, and the Members will be required to waive any conflicts of interest that may exist by virtue of thereof. The Fund will have no interest in, and the Management Fee will not be offset by, any directors' fees, advisory fees, transaction fees, commitment fees, investment banking fees, broken deal or breakup fees, or other similar fees received by the Manager or its affiliates.

Removal of Manager

The Manager may be removed for Cause upon the vote of at least 75% in interest of the Members. "Cause" shall mean either (i) all Principals have permanently ceased performing services for the Manager or (ii) any Principal performs any act that constitutes a fraud or the commission of a felony relating to the Manager's role as the manager of the Fund or involving moral turpitude, gross negligence or willful breach of duty.

Side Agreements

The Manager on its own behalf or on behalf of the Fund, without the approval of any Member or any other person, may enter into a side letter or similar agreement to or with a Member which has the effect of establishing rights under, or altering or supplementing the terms of, the Fund Agreement or such Member's subscription agreement.

***Indemnity and
Exculpation***

Except in certain limited cases, the Manager and certain of its affiliates and agents will not be liable for any act or omission concerning the Fund and will be indemnified from any expense, damage or injury suffered or sustained by reason of their potential or actual involvement in the affairs of the Fund, including as an officer or director of a company in which the Fund makes an investment.

***Income Tax
Considerations***

The Fund expects to be treated as a partnership for U.S. federal income tax purposes. The Manager intends to operate the Fund in a manner such that it will not be engaged in a trade or business for U.S. tax purposes.

ERISA Considerations Investment in the Fund generally is open to sophisticated institutional investors, including pension and other funds subject to the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”). Investors subject to ERISA will be required to make certain customary representations or provide assurances in order that the Manager may determine compliance with ERISA’s provisions. The Fund may be managed in a manner intended to qualify it for the venture capital operating company exception from the ERISA plan asset rules. Alternatively, the Manager may decide to limit the aggregate capital commitments of investors subject to ERISA to less than 25% of the Fund’s total committed capital.

Reports The Manager will provide the Members with annual audited financial statements of the Fund within 120 days after the end of the fiscal year of the Fund and quarterly unaudited financial statements within 90 days after the end of each fiscal quarter (except the last). Financial statements will be prepared in accordance with accounting principles generally accepted in the United States. The fiscal year end of the Fund will be December 31.

Amendment In general, the Fund Agreement may only be amended by the Manager and a majority in interest of the Members.

Risk Factors An investment in the Fund involves significant risks and should be considered only by sophisticated investors able to meet drawdown obligations and assume the risks of loss and illiquidity inherent with an investment in the Fund.

VIII. RISK FACTORS

Investors should be aware that an investment in the Fund involves a high degree of risk. There can be no assurance that the Fund’s investment objectives will be achieved, or that an investor will receive any return of its invested capital. In addition, there will be occasions when the Manager (or its affiliates) encounter potential conflicts of interest in connection with the Fund. The following considerations, among others, should be carefully evaluated before making an investment in the Fund.

Risk Inherent in Venture Capital Investments. The investments intended to be made by the Fund involve a high degree of risk. In general, financial and operating risks confronting both early- and developmental-stage companies, as well as more mature expansion-stage companies, are significant. Many emerging growth companies go out of businesses every year. It is difficult to know how companies will grow, if at all, or what changes may occur in the market. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Fund will be adequately compensated for risks taken. The loss of an investor’s entire investment in the Fund

is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Fund's term, while successes often require a long maturation.

Early-stage and developmental-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. Such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. In addition, the markets that such companies target are highly competitive and in many cases the competition consists of larger companies with access to greater resources. The percentage of such companies that survive and prosper is small.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

Lack of Portfolio Company Information. The information made available to the Fund regarding the Portfolio Companies the Fund will invest in, either directly or indirectly, is often very limited. As the Portfolio Companies are privately held, they are not subject to the same disclosure and reporting obligations of publicly traded companies. The Fund may not be provided with financial, operational, or other information that may be important in making an investment decision. In many cases, a Portfolio Company's valuation at the time of the Fund's investment and/or the Fund's ownership percentage in such Portfolio Company will not be known and such ownership percentage can be reduced significantly for a number of reasons.

Lack of Information for Monitoring and Valuing the Fund's Assets. Despite the Manager's efforts to acquire sufficient information to monitor the Fund's investments and make well-informed valuation and pricing determinations, the Manager may only be able to obtain limited information at certain times and, in some cases, may not be able to obtain information beyond the information that is publicly available. It is possible that the Manager may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the Fund's investments. The value of the Fund's assets could be significantly negatively affected by any such event. Further, the Manager may have to make valuation determinations without the benefit of an adequate amount of relevant information. Investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the Manager may not represent the fair market value of the securities acquired by the Fund.

Investment in Companies Dependent Upon New Technological Development and Market Adoption. An investment in the Fund may be susceptible to greater risk than an investment in a fund that invests in a broader range of securities. The specific risks faced by emerging growth technology companies such as some of the anticipated Portfolio Companies include:

- rapidly changing science, business models, technologies and consumer preferences;

- new competing products or services and improvements in existing products or services which may quickly render existing products or technologies obsolete;
- exposure, in certain circumstances, to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals;
- scarcity of management, technical, scientific, research and marketing personnel with appropriate training;
- the possibility of lawsuits related to patents and intellectual property; and
- rapidly changing investor sentiments and preferences with regard to technology related investments (which are generally perceived as risky).

No Assurance of Returns. The Fund will typically be an equity investor in the Portfolio Companies. The Fund will generally not receive any returns on its investments unless and until a Portfolio Company distributes money. A private company typically distributes money when it is sold to another company or a new set of investors, when it pays a dividend, or when it is listed on a stock exchange or other public trading platform. A Portfolio Company may take a long time to, or may never, achieve one of these events. As such, there can be no assurance that investors in the Fund will receive any returns from the Fund. The timing of profit realization, if any, is highly uncertain.

Economic and Market Conditions. The success of any investment activity is determined to some degree by general economic conditions. The availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems which the Fund may depend upon to achieve its objectives may have a significant negative impact on the Fund's operations and profitability. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for the Fund to operate successfully. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

Minority Investments. The Fund's investments may represent minority stakes in privately held companies. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. The Fund may also invest in companies for which the Fund has no right to appoint a director or otherwise exert significant influence. In such cases, the Fund will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund.

Reliance on Manager. The Manager will have sole discretion over the investment of the capital committed to the Fund as well as the ultimate realization of any profits. Investors in the Fund will not receive the detailed financial information issued by Portfolio Companies that will be available to the Fund. Accordingly, investors will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the Manager in its selection of investment terms. As such, the pool of capital in the Fund represents a blind pool of capital. Investors will be relying on the Manager to identify, structure, and implement investments consistent with the Fund's investment objectives and policies and to conduct the business of the Fund as contemplated by its Fund Agreement. The loss of one or more of the principals of the Manager would likely have a significant adverse impact on the business of the Fund. No assurances can be given that the principals of the Manager will continue to be affiliated with the Fund throughout its term. Notwithstanding any prior experience that the principals of the Manager may have in making investments of the type expected to be made by the Fund, any such experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that the principals of the Manager will be able to duplicate any previous levels of success.

Competitive Marketplace. The marketplace for venture capital investing has become increasingly competitive. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. Some of the Fund's potential competitors may have greater financial and personnel resources than the Fund. There can be no assurances that the Manager will secure attractive investment terms for the Fund. To the extent that the Fund encounters competition for investments, returns to Fund investors may vary.

No Assurance of Additional Capital for Investments. After the Fund has invested in a Portfolio Company, continued development and marketing of products may require that additional financing be provided to the Portfolio Company. The Fund expects the Portfolio Companies will have substantial capital needs that will be need to be funded over several stages of investment. No assurance can be made that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained.

Reserves. The Manager may establish reserves for follow-on investments by the Fund in Portfolio Companies, operating expenses, Fund liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of Portfolio Companies. Inadequate or excessive reserves could impair the investment returns to the Fund. If reserves are inadequate, the Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with "pay-to-play" or similar provisions. If reserves are excessive, the Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Indemnification. The Fund will be required to indemnify the Manager and certain of its owners, principals and affiliates for liabilities incurred in connection with the affairs of the Fund. Such liabilities may be material and have an adverse effect on the returns to Fund investors.

Future and Past Performance. The performance of any prior fund or any personal investments affiliated with any of the principals of the Manager is not necessarily indicative of the future results that will be realized by the Fund. While the Manager may intend for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment.

Bridge Financing. The Fund may lend to Portfolio Companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Fund.

Limitations on Ability to Exit Investments. The Fund will generally endeavor to exit from its investments in two principal ways: (i) a private sale (including an acquisition of a Portfolio Company) and (ii) initial and/or secondary public offerings. At any particular time, one or both of these avenues may not be open to the Fund, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate the Fund's portfolio holdings may be constrained at any particular time.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of an investment in the Portfolio Companies, the Fund may be required to make representations about the business and financial affairs of such companies typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Manager may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

Absence of Liquidity and Public Markets. The Fund's investments will generally be private, illiquid holdings. As such, there will be no public markets for the securities held by the Fund and no readily available liquidity mechanism at any particular time for any of the investments held by the Fund. In addition, the realization of value from any investments will not be possible or known with any certainty until the Manager elects, in its sole discretion, to sell the Fund's investments and subsequently distribute the proceeds to its investors or to distribute securities to the Fund investors in lieu of cash.

No Market; Illiquidity of Interests. An investment in the Fund will be illiquid and involves a high degree of risk. Because the Interests will not be registered under the Securities Act there will be no public market for the Interests, and it is not expected that a public market will develop. An investor in the Fund may not be able to avail itself of the provisions of Rule 144 of the Securities Act with respect to a proposed transfer of its Interest, and the investor will not be permitted to sell its Interest unless

such interests are subsequently registered under the Securities Act or an exemption from registration is available. Consequently, investors will bear the economic risks of its investment for the term of the Fund.

Certain Limitations on the Ability of Investors to Transfer Fund Interests. The transferability of Interests will be restricted by the Fund Agreement and by United States federal and state securities laws. In general, a Fund investor will not be able to sell or transfer its Interest to third parties without the consent of the Manager.

Legal and Regulatory Risks. The Fund will not be registered as an “investment company” under the Companies Act pursuant to an exemption set forth in Section 3(c)(1) and/or Section 3(c)(7) of the Companies Act. There is no assurance that such exemptions will continue to be available to the Fund. Due to the burdens of compliance with the Companies Act, the performance of the Fund’s investment portfolio could be materially adversely affected, and risks involved in financing the Portfolio Companies could substantially increase, if the Fund becomes subject to registration under the Companies Act. Neither the Fund nor its legal counsel can assure the Fund’s investors that, under certain conditions, changed circumstances, or changes in the law, the Fund will not become subject to the Companies Act or other burdensome regulation. In addition, the Manager is not registered as an “investment adviser” under the Advisers Act. The rules promulgated by the SEC under the Dodd–Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) may require the Manager (or an affiliate of the Manager) to register under the Advisers Act at some point in the future. In such event, such Manager or affiliate would become subject to additional regulatory and compliance requirements associated with the Dodd-Frank Act or the Advisers Act. Any such additional requirements, or any different requirements, may be costly and/or burdensome to such party or parties and could result in the imposition of restrictions and limitations on the operations of the Fund and/or the disclosure of information to regulatory authorities regarding the operations of the Fund. In addition, the Fund does not plan to register the offering of the Interests under the Securities Act. As a result, a Fund investor will not be afforded the protections of the Securities Act with respect to its investment in the Fund.

Conflicts of Interest. The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in the Fund. The following is not intended as an exhaustive list of the potential conflicts. Instances may arise where the interest of the Manager (or its affiliates or principals) may potentially or actually conflict with the interests of the Fund or the Fund’s investors. Conflicts of interest may arise as a result of the principals of the Manager or other investment funds managed by the Manager having existing investments in Portfolio Companies, as well as other investments both public and private. Additionally, one or more of the principals of the Manager may serve one or more Portfolio Companies on its board of directors or in a separate advisory or consulting capacity, and instances may arise where the principal’s fiduciary duties to a Portfolio Company or the principal’s advice or services might conflict with the interests of the Fund or the Fund’s investors. By acquiring an Interest, the investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflicts of interest.

Lack of Control. Subject to the implementation of the investment limitations described in the Fund Agreement, the Manager has complete discretion in managing the Fund's portfolio. Investors will not make or participate in decisions with respect to the management, disposition or other realization of any investment made by the Fund or other decisions regarding the Fund's business and affairs.

Leverage. To the extent a Portfolio Company has a leveraged capital structure or borrows or enters into other financing transactions requiring periodic payments, the Fund's investment in the Portfolio Company will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. If such a Portfolio Company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by the Fund in such company could be significantly reduced or even eliminated.

Potential Liabilities. In connection with its investments, the Fund may negotiate the right to appoint one of the principals of the Manager or its affiliate as a member of a Portfolio Company's board of directors. Membership on the board of directors of a Portfolio Company can result in the Fund or the individual director being named as a defendant in litigation. The Fund may also participate in such a Portfolio Company's financing at valuations lower than the valuations in preceding rounds of financing. Disputes arising out of such down-round financings may result in the Fund, the Manager or its members being named as defendants. A Portfolio Company may have insurance to protect directors and officers, but any such insurance may be inadequate. Or, a Portfolio Company may have no insurance to protect directors and officers. The Fund will indemnify the Manager and its principals, among others, for liabilities incurred in connection with operations of the Fund, including liabilities arising from such lawsuits. Such indemnification obligations and other liabilities could be substantial.

Market Lock-Up Provisions. If a Portfolio Company engages in a public offering, the securities held by the Fund may continue to be subject to "lock up" provisions that may restrict the Fund's ability to trade or sell such investments on the public market for extended periods of time during which such securities may experience substantial changes in value. As such, even where a Fund's investment has become publicly traded, there is no guarantee the Fund will be able to exit from the investment on the terms initially offered to the public.

Limited Portfolio Diversification. As is typical of venture capital funds, the Portfolio Company holdings of the Fund will not be broadly diversified. A downturn of the economy or in the business of the Portfolio Company could impact the aggregate returns delivered to investors by the Fund.

Manager Compensation. The amount of the management fee paid by the Fund to the Manager was set by the Manager without negotiations with any third party. It is possible that other investment advisers would perform the same services with respect to the Fund for less compensation than the Manager will receive from the Fund.

Failure to Make Capital Contributions. If a Fund investor fails to satisfy when due installments of its capital commitment to the Fund, and the contributions made by non-defaulting investors in the Fund and any borrowings by the Fund are inadequate to cover the defaulted amount, the Fund may be unable

to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially and adversely affect the returns to its investors. If Fund investors default on their capital commitment obligations to the Fund, such investors may be subject to various remedies as provided in the Fund Agreement.

Withholding and Other Taxes. The Manager intends to structure the Fund's investments in a manner that is intended to achieve the Fund's investment objectives and, notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular Fund investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on Fund investors under the laws of the jurisdictions in which such investors are liable for taxation or in which the Fund makes portfolio investments. Investors should consult their own professional advisors with respect to the tax consequences of an investment in the Fund under the laws of the jurisdiction in which the investors are liable for taxation. Furthermore, the Fund's returns in respect of its investments may be reduced by withholding or other taxes imposed by jurisdictions in which a Portfolio Company is organized.

Limited Operating History. The Fund is a newly established limited liability company with no operating history. The Fund's investment program should be evaluated on the basis that there can be no assurance that the Manager's assessment of the prospects of investments will prove accurate or that the Fund will achieve its investment objective. Past performance of the principals of the Manager is not necessarily indicative of future results.

Diverse Investors. Investors in the Fund may have conflicting investment, tax, and other interests with respect to their investments in the Fund. The conflicting interests of individual Fund investors may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring or the acquisition of Fund investments and the timing of disposition of such investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Manager with respect to the nature or structuring of investments that may be more beneficial for some Fund investors than for others, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Fund, the Manager will consider the investment and tax objective of the Fund and its investors as a whole, not the investment, tax or other objective of any particular individual Fund investor.

Risk of Dilution. Investors subscribing for interests in the Fund at closings other than the Fund's initial closing will participate in then-existing investments of the Fund, diluting the interests of then-existing investors therein. Although such investors will generally contribute their pro rata share of prior capital contributions previously drawn down by the Fund, there can be no assurance that such payment will reflect the fair value of the Fund's existing investments at the time such additional investors subscribe for such interests.

Foreign Investments. The Fund may hold investments in U.S. companies that may have operations primarily outside of the U.S. Any investment by U.S. companies in a foreign country involves risks not found in the U.S. domestic securities market, including the following: the risk of economic and

financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending; the risk of adverse social and political developments, including nationalization, confiscation without fair compensation, political and social instability and war; the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities; risks related to the possible lack of availability of sufficient financial information as a result of accounting, auditing, and financial disclosure standards that differ, in some cases significantly, from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; risks related to the fact that some investments may be denominated in foreign currencies and, therefore, will be subject to fluctuations in exchange rates; and risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation so that the Fund could become subject to an unanticipated local tax liability.

Foreign Exchange Risks. Contributions to the Fund and distributions from the Fund will be denominated in U.S. dollars. Investments may be denominated in U.S. dollars or other foreign currencies. As a result, the profits or losses of the Fund on any investment, as measured in U.S. dollars, may be affected by fluctuations in currency exchange rates and exchange control regulations as well as by the success of the investment itself. In addition, the Fund may incur costs in connection with conversions between various currencies. Neither the Fund nor the Manager intends to seek to reduce currency risks through “hedging” or other methods.

Tax Considerations. The Fund’s income and gain for each taxable year will be allocated to, and includible in, each Fund investor’s taxable income whether or not cash or other property is actually distributed. Although the Fund may make distributions, Fund investors should have alternative sources from which to pay U.S. federal income tax liability.

Taxes and Economics May Not Match During a Calendar Year. The income tax effects of the Fund’s transactions to investors may differ from the economic consequences of those transactions during a calendar year.

There is the Possibility of a Tax Audit. The Fund’s tax returns might be audited by a taxing authority. An audit could result in adjustments to the Fund’s tax returns. If an audit results in an adjustment, investors may be required to file amended returns and to pay additional taxes plus interest. The Fund may take positions with respect to certain tax issues that depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the U.S. Internal Revenue Service, investors might be found to have a different tax liability for that year than that reported on their U.S. federal income tax returns. In addition, an audit of the Fund’s U.S. federal income tax information return may result in adjustments to the tax consequences initially reported by the Fund and may affect items not related to investors’ investment in the Fund. If audit-related adjustments result

in an increase in an investor's U.S. federal income tax liability for any year, the investor may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax return will be borne by the Fund.

No Distributions with Respect to Tax. The Fund is not required distribute cash to enable investors to pay federal and state income taxes arising from the ownership of an Interest during a taxable year. A Fund investor may be liable for federal and state income taxes on income related to its ownership of an Interest, even though the investor has received no distributions from the Fund.

Confidential Information. The Fund Agreement will contain confidentiality provisions intended to protect proprietary and other information relating to the Fund and the Portfolio Companies. To the extent that such information is publicly disclosed, competitors of the Fund and/or competitors of the Portfolio Companies, and others, may benefit from such information, thereby adversely affecting the Fund, the Portfolio Companies, the Manager and the economic interests of the Fund's investors.

The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring an Interest in the Fund. When considering whether to subscribe for an Interest, prospective investors are urged to read the Fund's entire Fund Agreement and consult with their legal, tax and other professional advisors before making a determination whether to invest in the Fund.

IX. CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS

The following discussion summarizes certain United States federal tax considerations generally applicable to persons considering an investment in the Fund. The discussion does not address all tax considerations that may be relevant to specific investors in light of their particular circumstances. No other state, local or foreign tax considerations are addressed. All persons considering an investment in the Fund are urged to consult with their own tax advisors as to the specific United States federal, local and foreign tax consequences of such an investment.

In General. Except where specifically addressing considerations applicable to tax-exempt or foreign investors, the discussion assumes that the Fund investor is a United States citizen or resident individual, a domestic corporation that is not tax-exempt, or a foreign person whose Fund interest is used or held for use in the conduct of a United States trade or business. The discussion is based upon existing law as contained in United States federal statutes, regulations, administrative rulings and judicial decisions on the date of the this disclosure. Future changes to the law may, on either a prospective or retroactive basis, give rise to materially different tax considerations. Finally, no rulings have been or will be requested from the United States federal tax authorities as to any matter and there can be no assurance that such authorities will not successfully assert a position contrary to one or more of the legal conclusions discussed herein.

Effect of Partnership Status. The Fund will be treated as a partnership, and not as an association taxable as a corporation, for United States federal income tax purposes. As such, the Fund will not be subject to federal income tax. Instead, each Fund investor will be required to report on such investor's

federal income tax return its allocated share of the Fund's items of income, gain, loss and deduction substantially as if such investor had recognized the items directly. Accordingly, a Fund investor generally will be required to pay tax on its share of the Fund's net income or gain (and, in the case of capital gain, will be entitled to the benefits of reduced capital gain rates) in the year recognized without regard to whether the Fund makes a corresponding cash distribution. Except as described in the following paragraph, distributions (as opposed to allocations of taxable income or gain) received by a Fund investor from the Fund generally will not be subject to tax, but a Fund investor selling appreciated securities distributed to it by the Fund generally will be required to include in income for federal income tax purposes all of the appreciation in the value of such securities, including any such appreciation that accrued while the securities were held by the Fund.

It is expected that the Fund will qualify as an "investment partnership" within the meaning of Section 731(c) of the United States Internal Revenue Code of 1986, as amended (the "**Code**"). If the Fund does not so qualify, an investor in the Fund that receives a distribution of marketable securities from the Fund may be required to recognize taxable gain to the extent that the fair market value of the distributed securities exceeds the investor's tax basis in its Fund interest.

As the tax matters partner of the Fund, the Manager will have the right to control any audit or investigation of the Fund by the Internal Revenue Service and all subsequent administrative and judicial proceedings arising out of such audit. The Manager will also have the authority under the Fund Agreement to make, or decline to make, all applicable tax elections on behalf of the Fund.

Trade or Business Status. The Fund generally intends to take the position for federal income tax purposes that its operations and activities constitute an investment activity rather than the active conduct of a trade or business. One consequence of this position is that noncapitalized investment expenses incurred by the Fund in carrying on its activities generally will be treated by investors in the Fund who are individuals as "miscellaneous itemized deductions" and may not be available (or may be only partially available) to offset such investors' taxable income from the Fund or other sources.

Passive Activity Loss Rules. A Fund investor that is subject to the "passive activity loss rules" of the Code generally will not be permitted to offset against investor's share of the Fund's income and gain any losses or other deductions generated by the investor's investments in "passive activities" (until the investor's interests in such passive activities are disposed of). The activity of "trading personal property for the account of owners of interests in the activity" does not give rise to passive activity income or loss. Accordingly, a Fund investor's ability to reduce its income for federal income tax purposes by the investor's share of the Fund's losses and deductions attributable to purchases and sales of Portfolio Company securities generally should not be limited by the passive activity loss rules (although such losses and deductions may be subject to other limitations, including restrictions on the use of miscellaneous itemized deductions and capital losses).

Transfer of a Fund Interest. The sale or exchange of a Fund interest by an investor generally would result in the recognition of capital gain or loss equal to the difference between the investor's tax basis in the Fund interest and the amount of consideration received, although a portion of such gain or loss

may be recharacterized as ordinary income or loss to the extent attributable to the investor's indirect share of certain assets of the Fund (including, without limitation, market discount bonds, short-term debt obligations, and stock in certain foreign corporations) described in Section 751(c) of the Code.

50 Percent Capital Gain Exclusion for Qualified Small Business Investments. In general, noncorporate investors that, directly or via a pass-through entity such as the Fund, hold qualified "small business stock" for more than 5 years are permitted to exclude from taxable income 50 percent of any gain subsequently recognized upon a sale or exchange of such stock (60 percent for qualified business entity stock). For each noncorporate investor, the amount of gain eligible for the 50 percent exclusion generally is limited to the greater of: (i) 10 times the investor's basis in the stock issued by such corporation and disposed of by such taxpayer during the taxable year or (ii) an aggregate of \$10 million (\$5,000,000 for married taxpayers filing separately) with regard to stock in the issuing corporation. The remaining 50 percent of any qualifying gain is subject to tax at a rate of 28 percent, resulting in an effective tax rate of 14 percent on the entire gain. Seven percent of the 50 percent exclusion is treated as a preference item (and thus added back to the 28% tax bracket) for federal alternative minimum tax purposes. Accordingly, subject to the limitations described above, the total amount of qualified gain recognized by an individual who is subject to alternative minimum tax would be taxable at an effective maximum rate of 14.98 percent, which is less than the current maximum tax rate on long term capital gains of 23.8 percent.

To be treated as small business stock eligible for the 50 percent exclusion, stock must have been acquired at original issue from a qualified small business corporation. In general, a qualified small business corporation is a domestic "C" corporation that, at all times on and after August 10, 1993 and before the stock in question is issued and immediately after issuing the stock in question, has \$50 million or less in gross assets and satisfies certain other requirements. Because several of these requirements must continue to be satisfied after the issuance of qualified stock, it is possible that the stock may cease to qualify as small business stock due to events occurring after the issue date. Accordingly, there can be no assurance that any stock acquired directly or indirectly by the Fund would qualify for the 50 percent exclusion, even if such stock qualifies as small business stock at the time of issuance.

Rollover for Qualified Small Business Stock. Under Section 1045 of the Code, if a noncorporate taxpayer (i) realizes gain on a sale of qualified small business stock (as defined above) that has been held by the taxpayer for more than six months, and (ii) within 60 days after such sale, purchases new qualified small business stock, the taxpayer generally is required to recognize (and pay tax on) such gain only to the extent that the net sale proceeds from the original stock exceed the cost of the newly purchased stock. Any remaining gain is carried over to the newly purchased stock and may be recognized (and taxable) upon a subsequent disposition of such stock. Section 1045 generally operates on a flow-through basis with respect to purchases and sales of qualified small business stock by entities treated as partnerships for federal income tax purposes such as the Fund. Thus, noncorporate Fund investors may be entitled to Section 1045 rollover benefits when the Fund sells and purchases securities. Nevertheless, stock may cease to qualify as qualified small business stock due to circumstances beyond the control of the Fund. Accordingly, there can be no assurance that any

noncorporate Fund investor would be entitled to the benefits of Section 1045 with respect to any specific purchases and sales of stock by the Fund.

Tax-Exempt Investors. It is anticipated that the Fund’s income will consist principally, if not exclusively, of dividends and interest as well as gains from the disposition of capital assets or other property not held for sale in the ordinary course of business. However, the Manager will be under no obligation to avoid causing the Fund to recognize income or gains that qualify as “unrelated business taxable income” (“**UBTI**”) within the meaning of Sections 511–514 of the Code.

Foreign Investors. For purposes of the remainder of this discussion, the term “**Foreign Investor**” generally refers to a person, not otherwise carrying on a trade or business in the United States, that is a nonresident alien individual, a corporation or partnership organized under the laws of a foreign country, a trust or estate not subject to United States taxation on its worldwide income, or an entity that is disregarded for purposes of U.S. tax law and owned by a foreign person. As discussed above under the section titled “Trade or Business Status,” the Fund generally intends to take the position for federal income tax purposes that it is not engaged in the conduct of a trade or business. If this position is upheld, Foreign Investors generally will not, solely as a result of investment in the Fund, be: (i) considered to be engaged in a United States trade or business, (ii) required to file United States federal income tax returns, or (iii) subject to United States federal income tax on gain from the sale of capital assets held by them directly or through their interests in the Fund. However, the Fund would be required to withhold tax at a 30 percent rate from the gross amount of United States source income allocated to a Foreign Investor to the extent such income consists of dividends or certain types of interest or other passive income. A Foreign Investor that is eligible for a reduced rate of United States taxation pursuant to a tax treaty may obtain a refund from the Internal Revenue Service with respect to its share of any tax withheld.

Notwithstanding the foregoing, a Foreign Investor’s share of the net gain recognized upon disposition by the Fund of a United States real property interest would be treated for federal income tax purposes as if it were effectively connected with a United States trade or business. For this purpose, the term “United States real property interest” generally would include any interest in real property located in the United States. These provisions have a “look-through” rule that encompasses the stock of companies in which at least half of the fair market value of their trade or business at any point during the preceding 5 years comprises United States real property assets.¹ In general, if Foreign Investors were deemed to dispose of a United States real property interest under any of these rules, then the Fund would be required to withhold tax at the highest marginal income tax rate from allocations to such Foreign Investors of such net gain and each Foreign Investor would be required to report its share of such gain on a United States federal income tax return. While it is not intended that the Fund will

¹ Classes of publicly traded stock (i.e., any class of stock that is regularly traded on an established securities market) are only subject to this rule in the case of a foreign person who owns, directly or indirectly, greater than 5 percent of such stock at any point during the 5 years preceding its disposition.

acquire or dispose of assets that qualify as United States real property interests, there can be no assurance that Portfolio Company securities will not so qualify.

If the Fund were determined to be engaged in a trade or business, Foreign Investors generally would be: (i) considered to be engaged in the conduct of a trade or business in the United States, (ii) required to file United States federal income tax returns and pay United States federal income tax and (iii) subject to United States federal income tax withholding with respect to that portion of their shares of the Fund's net income which is considered to be effectively connected with such trade or business. In addition, Foreign Investors that are corporations may be subject to a 30 percent tax on their "dividend equivalent amount" for purposes of the United States branch profits tax, subject to possible reduction pursuant to an international bilateral income tax treaty. Finally, Foreign Investors could be subject to United States federal income tax with respect to any gain recognized upon a sale or exchange of their interests in the Fund, depending on the assets the Fund holds at such time and the type of sale. Foreign Investors may apply withheld taxes against the tax liability shown on their federal income tax returns and refunds may be obtained from the Internal Revenue Service for any excess tax withheld.

Notwithstanding the foregoing, pursuant to the Hiring Incentives to Restore Employment Act, payments made to foreign entities and foreign financial institutions after July 1, 2014 will be subject to a thirty percent (30%) U.S. withholding tax unless the foreign entity or foreign financial institution has complied with reporting and disclosure requirements regarding "United States persons" (within the meaning of Section 7701 of the Code) that hold a financial account, either directly or indirectly, with such foreign entities or foreign financial institutions.

FOREIGN INVESTORS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS TO DECIDE WHICH UNITED STATES TAX FORMS SHOULD BE SUBMITTED TO THE FUND UPON PURCHASING AN INTEREST THEREIN.

Federal Estate Tax Considerations for Foreign Investors. The applicability of United States federal estate tax to a Fund interest owned at the time of death by a Foreign Investor who is an individual is uncertain under current law. Accordingly, a Foreign Investor who is an individual may wish to consider holding his or her interest in the Fund through a non-U.S. corporation.

X. PRIVACY POLICY

Pursuant to the Gramm-Leach-Bliley Act, Public Law No. 106-102, and the rule issued by the Federal Trade Commission regarding the Privacy of Consumer Financial Information, 16 C.F.R. Part 313 (the "**FTC Privacy Rule**"), institutions that provide certain financial products or services to individuals to be used for personal, family, or household purposes are required to provide written notices to their customers regarding disclosure of nonpublic personal information. We have been advised that we may be subject to such requirement. This notice is being provided to you to comply with the FTC Privacy Rule.

We understand that it is our obligation to maintain the confidentiality of information with regard to our investors generally. As a consequence, we do not disclose any nonpublic personal information about our investors or former investors to anyone other than our affiliates and service providers, except as permitted by law and as described in the following sentences. Consistent with industry practice (and the provisions of our fund agreements), we may distribute certain personally-identifiable financial information such as the names of investors, the amount of their capital commitments and capital account information, to all investors or prospective investors in each specific fund and in future funds. In addition, in order to accurately and efficiently conduct the Fund's investment program, we must collect, maintain, use and disclose certain non-public information about you and the Fund's other investors. Finally, we may disclose certain personally-identifiable financial information such as the names of investors and the amount of their capital commitments to the Portfolio Companies or other investment vehicles in which the Fund acquires an interest.

We collect, and may disclose to our affiliates and service providers (e.g., our attorneys, accountants, auditors, administrators, entities that assist us with the distribution of stock to our investors and placement agents for future fundraising activities) on a "need to know" basis, certain nonpublic personal information about you from the following sources:

- Information we receive from you as set forth in your subscription agreement, investor questionnaire or similar forms, such as your name, address, and social security or tax identification number; and
- Information about your transactions with us, our affiliates and service providers, or others, such as your participation in each of our funds, your capital account balance, your contributions and distributions and, in the case of an investor that is an individual retirement account, information with regard to such account.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide services to the Fund and its investors. We maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information. In addition, we will continue to assess new technology for protecting information with regard to our investors.

In connection with fundraising efforts for future funds, we may disclose information about existing investors to one or more placement agents for use in marketing efforts, including communication with prospective future investors.

This policy may change from time to time, but you can always review our current policy by asking us for a copy. If you have any questions about our privacy policy, please call us at (650) 461-9000 or email us at investor@kxter.com.