



Unlocking Your Financial Potential With Alumni Ventures

Loyalty Rewards, Performance, and Fees



Introduction

Thanks for your interest in Alumni Ventures and our funds.

As of early 2024, we have helped nearly 10,000 individual investors add venture capital to their personal portfolio.

In the coming pages, we'll cover three main topics:

1. What are the economic advantages of AV's Loyalty Rewards Program?
2. What is AV's track record of investing performance?
3. What fees do investors pay, and what do investors get for those fees?

1. Loyalty Rewards in the Form of Fee Reductions

We have built our firm around serving the needs of our individual investors, and **we are proud to offer a Loyalty Rewards program that offers fee reductions:**

1. **Committed Capital Rewards:** Fee reductions for those who cumulatively have \$500K+ committed capital with AV and our funds
2. **Timing Rewards:** Fee reductions for those who invest earlier in the fundraise process

Fee reductions earned by investors are automatically re-allocated towards additional investable capital for the investment to which the reduction applies.

The application of these programs are reflected clearly within every investor's secure online Investor Portal.¹ Investors who are eligible for both types of Rewards may earn them in combination and simultaneously.

Loyalty Rewards are based on the timing of when an investor signs subscription documents. Investors must fund their investment within 30 days to remain eligible, with some limited exceptions.

¹ Portal will be updated to reflect these changes on or around April 2024.





Committed Capital Rewards²

Your cumulative Committed Capital is available on your Dashboard in your Investor Portal. The associated Tier and fee rate will be locked in for a particular investment upon the day that you sign your subscription agreement. If your investment crosses you into a subsequent threshold, you will earn the larger of the two fee reductions for that investment.

Tier	Lifetime Committed Capital	Fee Reduction	Effective Fee Rate
Tier 1	\$0 - \$500K	0%	20%
Tier 2	\$500K - \$750K	1%	19.8%
Tier 3	\$750K - \$1M	2%	19.6%
Tier 4	\$1M - \$3M	3%	19.4%
Tier 5	\$3M - \$5M	4%	19.2%
Tier 6	\$5M - \$10M	5%	19.0%
Tier 7	\$10M+	7.5%	18.5%

*Each tier reward requires an investment above the threshold listed, e.g. \$500,001 for Tier 2. AV may offer different fee reductions for funds offered through or in conjunction with financial partners or with respect to certain bespoke funds for certain institutional investors or other specialized or new investment funds or offerings. All tier rewards remain subject to change at the discretion of AV without notice to investors. Lifetime Committed Capital includes all capital committed to Alumni Ventures funds and management company.

² As of January 1, 2024. Previous program sunsetted 12/31/2023.

Timing Rewards

Starting in January 2024, most of our fundraises are split into three distinct closing periods. Investors joining the fund during the First or Second Close will be rewarded with a reduction of Management Fees as shown below.

Close	Fee Reduction	Effective Fee Rate
First Close	10%	18%
Second Close	5%	19%
Final Close	0%	20%

The Committed Capital Rewards and the Timing Rewards operate independently of one another and can be earned together on the same investment. Your Dashboard and Fund Details page within your Investor Portal will show you exactly which rewards have been earned for each investment.

The result of these Loyalty Rewards is that our investors will be putting more money to work in their portfolio, and therefore have the opportunity to make more money back over the life of the fund.

² AV does not provide investment advice; please consult your advisors to determine whether an investment or investments in venture capital is appropriate for you.

³ As of 12/1/23, Community Funds include: Allen Street Ventures, Arbor Street Ventures, Bleecker Street Ventures, Comm Ave Ventures, Emmet Street Ventures, Expo Ventures, The Fence Ventures, Fowler Street Ventures, Franklin Street Ventures, Mirror Lake Ventures, Potomac Ventures, Provo Ventures, Stadium Avenue Ventures, Two Lakes Ventures, & Yoshino Ventures

Eligible Funds & Ineligible Funds

Eligible Funds: Alumni Funds, Total Access Funds, Focused Funds, Community Funds³

Ineligible Funds (due to inherently short timelines): Syndication Funds, Opportunity Funds

Why We Incentivize Early Funding

1. We start deploying the fund's capital around the First Close of the fund. The more capital certainty we have of the fund size, the better job we can do in constructing a diversified and balanced portfolio over the subsequent 12-18 months.
2. We believe that an appropriate way to invest in venture is to seek time diversification by consistently deploying capital each year.² Some vintages will be stronger than others. With advanced notice of fund closings, investors can plan accordingly to fulfill their personal allocation plans.



QSBS - Potential Significant Tax Advantage

In addition to fee reductions, AV investors may in some cases be eligible for a significant tax-advantage through the QSBS program. This benefit was created by Congress to encourage more investment into the startup ecosystem, and - for qualifying investments - can potentially eliminate all Federal (and some state) capital gains taxes.

To be eligible, investors must have been fully signed and funded in the fund prior to when the fund actually made a qualifying investment. Alumni Ventures funds typically start deploying capital from the date of the First Close.

Therefore, investors who join in the First Close are more likely to be eligible on any qualifying investments made by the fund. Alternatively, investors who join in the Final Close - after investments have already begun - may not be eligible for this tax advantage on certain investments made before the date of funding. When a qualifying investment exits, AV will provide the relevant information in the annual Schedule K-1 sent to each investor. Please consult your tax advisor on how or whether QSBS can benefit you.

2. Performance

Ultimately, our investors are paying us to provide professional-grade venture funds. We are entrusted with this important responsibility, and delivering on this mission is perhaps the most important thing that we do on behalf of our investors.

We're proud of our track record and believe that making this type of venture investing accessible to individuals is a substantial disruption of the venture industry.

We Are a Top-Quartile Venture Firm⁴

DPI - Distributions Paid in Capital

Measures realized gains (how much capital we have returned)

TVPI - Total Value to Paid In Capital

Measures DPI + unrealized gains (and losses)

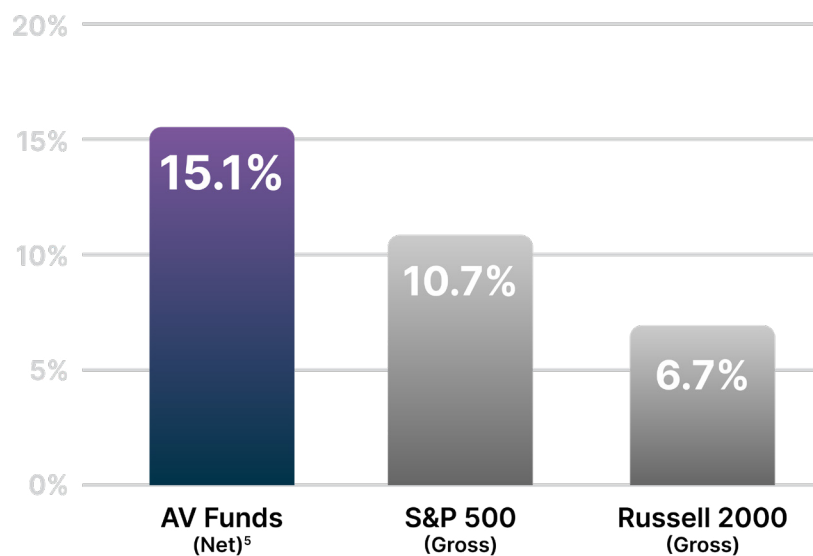
Vintage	DPI	TVPI
2016	Top Quartile	
2017	Top Quartile	~Top Quartile*
2018	Top Quartile	~Top Quartile*
2019	Top Quartile	Top Quartile
2020	Top Quartile	Top Quartile

*AV's 2017 vintage has a TVPI of 2.54x and Top Quartile is 2.58x. AV's 2018 vintage has a TVPI of 2.01x and Top Quartile is 2.02x.

⁴ Performance measures based on Cambridge Associates Venture Benchmarks data and are as of 9/30/2023. For additional information, please see av-funds.com/disclosures. DPI is net of management fees and incentive allocations applied to amounts distributed to investors. Current Valuation reflects the fair value of investments as determined in good faith by AV in accordance with its [valuation policy](#).

➔ Our Funds Have Outperformed the Public Markets Net of Fees³

Returns of Alumni Ventures Funds Investments in Vintage Years 2014 - 2020 (IRR) vs. Public Market Equivalents, as of 03/31/2023.³



⁵IRR for AV Funds is net of management fees and net of incentive allocations applied to amounts distributed to investors, but gross of incentive allocations applicable to unrealized gains on investments held by AV Funds. IRR for AV Funds includes Uninvested Cash, Unrealized Investments, and Amounts Distributed to Investors. For additional information, please see av-funds.com/disclosures. The IRR shown for the S&P 500 and Russell 2000 indices are gross of fees because indices are not managed investments. It is not possible to invest directly in an index. For additional information, see av-funds.com/disclosures. For additional information on AV Funds' performance, see [here](#).



Investment Performance Summary

Alumni Ventures provides venture capital portfolios to accredited investors. We co-invest alongside professional venture capital firms to provide diversified portfolios with modest investment minimums. In 2022, Alumni Ventures was the #1 most active venture firm in the U.S., and #3 most active in the world, according to Pitchbook's 2022 rankings. For additional details and disclosures, please see [here](#).

Performance Record of All Alumni Ventures Funds as of September 30, 2023

Each row includes all Alumni Ventures Funds that held their final close date, as provided in their offering documents, in the calendar year listed in the first column.

FUND VINTAGE ¹	NUMBER OF INVESTMENTS	TOTAL PAID-IN CAPITAL	TOTAL INVESTABLE CAPITAL ²	INVESTED CAPITAL ³	AMOUNTS RETURNED	CURRENT VALUATION ⁴	MOIC ⁵	TVPI ⁶
2014	13	\$ 885,000	\$ 752,250	\$ 752,249	\$ 448,882	\$ 1,164,361	2.14	1.82
2015	14	\$ 1,512,500	\$ 1,210,000	\$ 1,210,000	\$ 1,162,628	\$ 2,127,373	2.72	2.18
2016	11	\$ 5,309,187	\$ 4,247,350	\$ 4,247,350	\$ 3,724,794	\$ 2,607,110	1.47	1.19
2017	43	\$ 24,396,488	\$ 19,517,190	\$ 19,517,190	\$ 40,366,204	\$ 18,814,013	2.94	2.43
2018	102	\$ 71,553,157	\$ 57,242,526	\$ 57,242,526	\$ 32,996,627	\$ 104,565,308	2.35	1.92
2019	227	\$ 148,356,848	\$ 118,685,479	\$ 118,685,479	\$ 30,844,477	\$ 220,008,143	2.07	1.69
2020	241	\$ 259,737,867	\$ 210,862,224	\$ 208,159,401	\$ 15,594,003	\$ 326,849,952	1.62	1.32
2021	258	\$ 308,294,003	\$ 246,835,027	\$ 220,927,530	\$ 2,765,006	\$ 263,861,646	1.08	0.86
2022	252	\$ 275,514,685	\$ 220,478,215	\$ 184,363,553	\$ 124,561	\$ 226,551,599	1.03	0.82
2023 ⁷	131	\$ 124,796,613	\$ 99,837,290	\$ 58,172,857	\$ -	\$ 100,305,614	1.00	0.80

1. Fund Vintage is defined as the year in which a fund was closed to investors.
2. Total Investable Capital is the capital available to invest after management fees for the 10-year life of the funds have been removed.
3. Invested Capital is the capital that the AV funds invested through the end of the period.
4. Current Valuation includes uninvested cash and any interest or similar amounts earned or received, and it reflects the fair value of the investments as determined in good faith by AV according to its valuation policy. Unrealized investments are priced at cost and then re-priced upon consummation of an arm's length transaction or written off as a total loss. Current Valuation of unrealized investments represents the market value as of the last day of the period of any owned publicly traded investments (including holdings with alternative markets such as tokens where liquidity and price certainty may be more limited compared to traditional exchanges), escrow(s), and/or estimated proceeds receivable at a future date. Current Valuation of Exits does not reflect any potential contingent consideration that could increase gains received on the investment or incentive allocations payable to AV in accordance with applicable investment terms, which would reduce the amount of distributions payable to investors upon realization of fund holdings.
5. MOIC (Multiple on Invested Capital) is equivalent to the multiple of return gross of fees and equals (Current Valuation + Amounts Returned) / Total Investable Capital. Reported performance would be lower if the impact of fees were reflected.
6. TVPI (Total Value to Paid-In Capital) is equivalent to the multiple of return after the impact of management fees, taking into account any incentive allocations paid, but does not take into account incentive allocations unpaid and accrued in connection with Current Valuation. TVPI equals (Current Valuation + Amounts Returned) / Total Paid-In Capital. Reported performance would be lower if the impact of potential incentive allocations were reflected.
7. 2023: Partial year.

INTERPRETING THE DATA

Considerations for you as you evaluate these numbers:

This annual performance data reflects the aggregated performance of every AV fund which began investing in each year. Individual fund returns may be higher or lower than the aggregated performance. All AV funds are materially different from one another, whether due to investment focus, alumni connection, vintage, investor base, or other factors.*

Current Valuation, MOIC (Multiple on Invested Capital), and TVPI (Total Value to Paid-In Capital) are metrics describing the total "paper valuation" of the portfolio. This includes realized distributions already paid out and unrealized changes to a company's valuation based upon a closed round of financing.

Except for Amounts Returned there is no assurance that any additional value can be obtained in the future.

Often, one can expect the MOIC to be around one and the TVPI to be less than one in the early years. Winning companies typically take some time to shine, while losing companies usually struggle to scale and fail early. All funds are 10-year funds, and most need 6+ years to mature before a clear view of performance can be seen.

According to Cambridge Associates, [fund performance takes quite some time to become meaningful](#): Based on analysis of over 2,000 private investment funds raised between 1995 and 2005, "most funds require about six years before they 'settle' into their ultimate quartile rankings as measured by IRR."

*In some cases AV may offer the same fund through a 3(c)(1) exempt entity, and another 3(c)(7) entity.

Summary of Alumni Ventures Pricing Events as of September 30, 2023

Below is an overview of the current status of all venture investments made by all Alumni Ventures Funds, since inception.

CATEGORY	NUMBER OF INVESTMENTS	TOTAL INVESTED CAPITAL	AMOUNTS RETURNED	CURRENT VALUATION	AMOUNTS RETURNED + CURRENT VALUATION	\$-WEIGHTED TIME SINCE INVESTMENT ¹
Down	66	\$ 50,800,439	\$ -	\$ 23,257,930	\$ 23,257,930	3.28
Exits	164	\$ 73,901,151	\$ 127,315,840	\$ 62,534,181	\$ 189,850,022	4.76
Total Loss	91	\$ 42,540,420	\$ -	\$ -	\$ -	3.67
Up-Round ²	460	\$ 242,513,847	\$ -	\$ 591,059,470	\$ 591,059,470	3.31
SUBTOTAL	781	\$ 409,755,857	\$ 127,315,840	\$ 676,851,581	\$ 804,167,422	3.60
No Change ³	936	\$ 459,257,182	\$ -	\$ 460,816,059	\$ 460,816,059	1.76
GRAND TOTAL	1,717	\$ 869,013,040	\$ 127,315,840	\$ 1,137,667,640	\$ 1,264,983,480	2.63

1. \$-Weighted Time Since Investment is in years and is based on the sum of the following for all investments: each investment's original invested amount multiplied by the time since investment, divided by the aggregate invested amount.
2. Includes Converted Notes.
3. No Change includes any changes in value due to accrued interest on convertible notes.

A NOTE ABOUT VALUATION

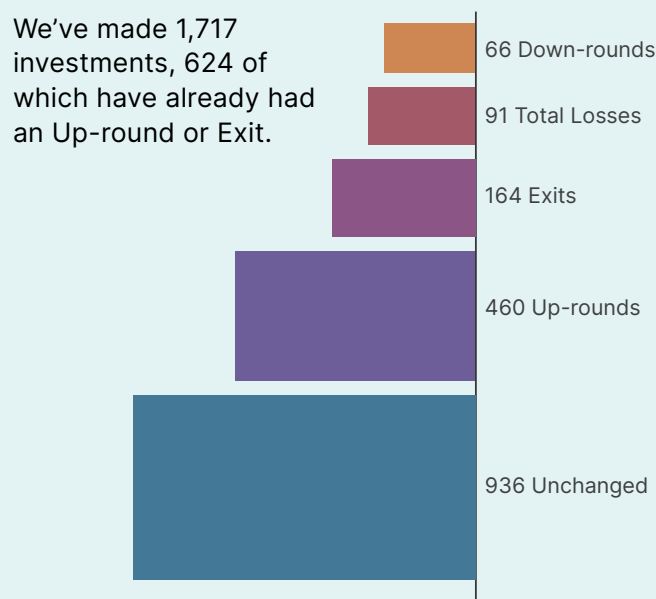
Valuations reflect the total fair value of the portfolio as determined in good faith by AV according to its valuation policy.

Unrealized investments are recorded at cost, and are only re-valued upon consummation of an arm's-length transaction, either an Up-round or Down-round in a portfolio company, in accordance with this policy, or written off as a total loss if AV so determines. Up-round generally means a financing subsequent to AV's investment has occurred at a higher per-share valuation (more favorable) than AV's original investment. Down-round generally means a subsequent financing has occurred at a lower per-share valuation (less favorable) than AV's original investment. Amounts Returned is based upon an amount received in the event of an Exit (such as an acquisition by an acquirer) or an initial public offering (IPO), or similar proceeds. Exits include escrows and amounts receivable at a future date but do not include contingent compensation that may not be realized. Public holdings are publicly traded securities priced at market value as of the last day of the period.

Please visit our [Vintage Details, Pricing Events, and Exit Information web page](#) for updates.

ALUMNI VENTURES UNIQUE INVESTMENTS

as of September 30, 2023



ALUMNI VENTURES

av.vc

Important Disclosure Information

The manager of the AV Funds is Alumni Ventures (AV), a venture capital firm. AV and the funds are not affiliated with or endorsed by any college or university. These materials are provided for informational purposes only. Offers of securities are made only to accredited investors pursuant to each fund's offering documents, which describe among other things the risks and fees associated with the Fund that should be considered before investing. The funds are long-term investments that involve a substantial risk of loss, including the loss of all capital invested. Past performance is not indicative of future results. Opportunities to invest in any security (of a Fund, of AV or in a syndication offering) is not a guarantee that you will be able to invest and are subject to all terms of the specific offering.

All private placements of securities and other broker dealer activities are currently offered through a partnership with Independent Brokerage Solutions LLC MEMBER: FINRA / SIPC ("IndieBrokers"), which is located at 485 Madison Avenue 15th Floor New York, NY 10022. (212) 751-4424. AV and its affiliates are independent and unaffiliated with IndieBrokers. Any securities transactions or related activities offered by AV associated persons are conducted in their capacities as registered representatives of IndieBrokers. To check the background of IndieBrokers and its representatives, visit FINRA's BrokerCheck, where you can also find our Form CRS.

3. Fees & Profit Sharing

Alumni Ventures, like many other investment firms, earns revenue primarily from two sources: Management Fees & Profit Sharing. The following provides brief summaries, for more information, please visit our detailed [disclosures](#).

Management Fees

AV charges an amount equivalent to a 2% annual management fee for the fund's 10-year term. The fund collects and typically pays to AV the entire amount — 20% of the capital commitment — up front. We recognize that many of our investors are not familiar with this type of fee structure, and that venture fees are different than other types of investments such as mutual funds or ETFs or even fees charged by financial advisors. However, our fees are designed to be quite favorable relative to “traditional venture” firms that serve institutions.⁶ **We offer our investors the type of professional-grade access to venture investing that institutions get, but we have designed our fee structure to be more advantageous than many venture capital firms over the long run.**⁷

	AV	Traditional Venture
Management Fees ⁸	20%	20%, up to 30%
Profit Sharing ⁹	20%	20%, up to 30%
Additional Fund Costs ¹⁰	No	Yes

[CoreSignal, March 202](#)

⁶Of course, the practices of venture firms can vary substantially.

⁷For additional information, please see [av-funds.com/disclosures](#).

⁸ While AV charges the full 20% up front, traditional venture firms typically 2% per year for a 10-year fund.

⁹Traditional venture often utilizes “fund carry” while AV utilizes both fund carry and “deal carry”. For more information, please see our [fees & profit sharing policy](#).

¹⁰Traditionally many venture capital funds have typically paid organizational and operational expenses out of fund assets, and these hidden fees can materially degrade fund performance. Unlike this traditional model, AV typically pays all of these types of expenses out of its management fees, which can materially benefit fund performance.

Fees Go Towards:

Performance

- Getting into elite deals and delivering strong performance
- Constructing portfolios that meet the thoughtful strategy of each fund
- Maintaining a staff of over ~40 investment professionals to source and review of thousands of deals each year
- Rigorous diligence leading to investments in several hundred investments per year
- Monitoring our growing list of 1,200+ portfolio companies in efforts to make follow-on investments into our highest performers

Fund Organization and Administration

- All expenses incurred in creating and offering the funds, including all legal costs and regulatory filing fees
- Quarterly financial fund reporting updates, exit memos, and fund distributions
- Bi-annual Investor Reports
- Production of all required tax documentation via Schedule K-1s
- Personalized Portfolio News Feed
- 24/7 online & secure Investor Portal

Education & Engagement

- Special opportunities to engage with Founders & other investors
- In-person events held at our 5 offices across the US
- Optional participation in our Expert Network



Profit Sharing

The other way that Alumni Ventures can make money is by sharing in the profits of our investments.

AV has two types of profit sharing. Check the fund offering documents to confirm which type governs the investment that you're considering.

“Fund Carry” - After all capital contributions via portfolio exits are returned to investors, including the entire management fee, AV and the fund share profits 80/20 (80% to investors and 20% to AV) from all remaining investments.

- **Qualifying funds:**

- Alumni Funds
- Total Access Funds

“Deal Carry” - The 80/20 profit share is calculated for each investment. So, after investors are returned the capital contribution, including management fees allocable to an individual investment, 80% of additional returns for that investment are paid to investors and 20% to AV. A similar calculation is applied to each separate investment, and AV earns a profit share on those investments that are profitable regardless of the overall performance of the fund.¹¹

- **Qualifying funds:**

- Focused Funds
- Opportunity Funds
- Community Funds¹²

¹¹ With Deal Carry, AV might receive profit share even if your capital commitment and management fees are not returned in full.

¹² As of 12/1/23, Community Funds include: Allen Street Ventures, Arbor Street Ventures, Bleecker Street Ventures, Comm Ave Ventures, Emmet Street Ventures, Expo Ventures, The Fence Ventures, Fowler Street Ventures, Franklin Street Ventures, Mirror Lake Ventures, Potomac Ventures, Provo Ventures, Stadium Avenue Ventures, Two Lakes Ventures, & Yoshino Ventures



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Important Disclosure Information:

This communication is not an offer to sell, or a solicitation of an offer to purchase, any security, which opportunities are only available through the official offering documents for the applicable investment funds. Venture capital investing involves substantial risk, including risk of loss of all capital invested. The description of AV's investment evaluation process is a general summary only and is not intended to be exhaustive or comprehensive. The information incorporated in AV's review process may differ in certain appropriate cases. Alumni Ventures does not provide tax or legal advice. All tax benefits should be confirmed with your tax professional.

