

# Professional-Grade Venture Capital

Smart, Simple Venture Capital Portfolios for Accredited Individual

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# Agenda



- About Alumni Ventures
- What is venture capital?
- Professional and diversified venture portfolios
- Investment strategy
- Fund offerings



WHAT WE DO

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AV is a **disruptive** venture firm

 Alumni Ventures

# Alumni Ventures Snapshot

- Alumni Ventures was founded in 2014 to offer individuals the opportunity to own smart, simple venture capital portfolios
- Alumni Ventures has raised \$1.3B from ~10,000 individuals and invested that capital into 1,400+ portfolio companies — making Alumni one of the most active venture firms globally and the largest domestic venture firm for individuals\*
- Alumni Ventures has ~120 employees located in Manchester, NH headquarters and offices in Boston, New York City, Chicago, and Menlo Park

\* Alumni Ventures is ranked among the most active global investors by [Pitchbook](#). Alumni Ventures is America's largest VC firm for individual investors based on the combination of total capital raised, number of investments, and number of investors of leading VC firms as reported by Pitchbook and other publicly available information reviewed by AV.



# Alumni Ventures is an Award-Winning Firm



2024 Top 20 VC  
Investors in  
North America



2023 #1 Most Active  
Venture in the U.S.



2022 #1 Most Active  
Venture in the U.S.



2022 Most Innovative  
Companies



2022 Employer  
of the Year



5,000 Fastest-Growing  
Private Companies

## Facts

- Top-Quartile Investment Performance vs. Cambridge Associates VC Benchmarks
- \$1.3B+ Capital Raised
- 1,400+ Portfolio Companies
- 10,000+ Individual Accredited Investors
- 750,000+ Community Members
- 5 National Offices & ~40 Full-Time Venture Investors

1 (2024, March 5). The top 20 venture investors in North America. CB Insights.

2 Top-quartile status is for AV fund vintages 2016-2020. Top-quartile status for 2016 vintage was .73, and AV funds' 206 vintage DPI was .72. Performance data is from Cambridge Associates Venture Benchmarks and is as of 9/30/2023. Industry Top Quartile as determined by Cambridge Associates. Distributions to Paid-In Capital (DPI) for AV Funds and Industry Top Quartile is net of management fees and net of incentive allocations applied to amounts distributed to investors. For additional information on Cambridge Associates and the data and calculations see [av-funds.com/disclosures](http://av-funds.com/disclosures).

3 (2024, February 23). Global league tables: 2023 Annual. PitchBook.

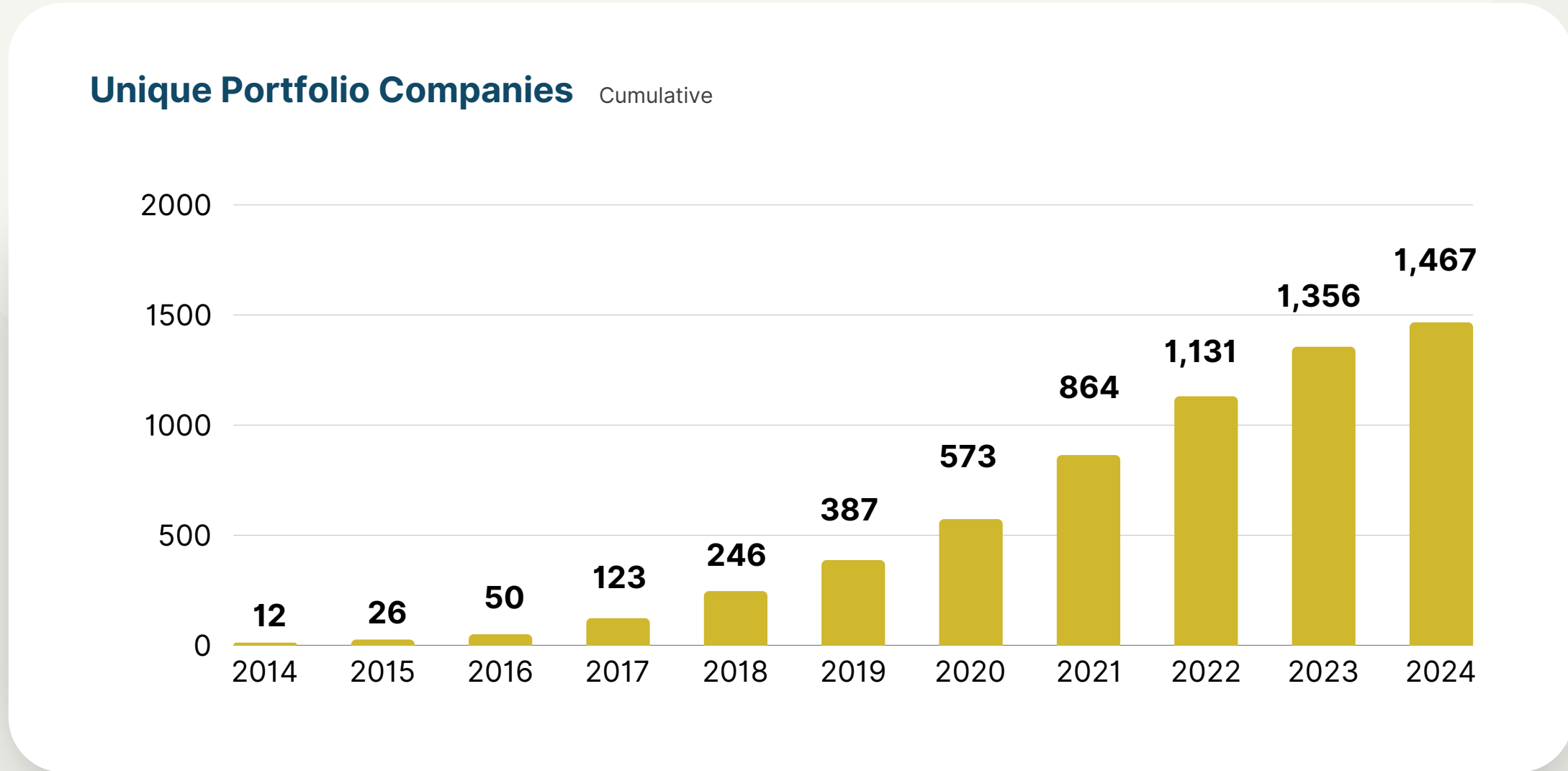
4 (2023, February 8). Global league tables: 2022 Annual. PitchBook.

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. Contact [info@av.vc](mailto:info@av.vc) with questions or requests for additional information.

# 10K+ Individuals Already Trust AV With Their Venture Investing



- We are America's largest venture firm for individual investors.<sup>1</sup>
- We are the #1 most active venture firm in the U.S. and #3 globally (PitchBook '22 and '23).
- Since 2014, \$1.3B+ capital raised and rapidly growing portfolio of 1,400+ companies.
- ~40 full-time venture investors, supported by ~80 other full-time employees.

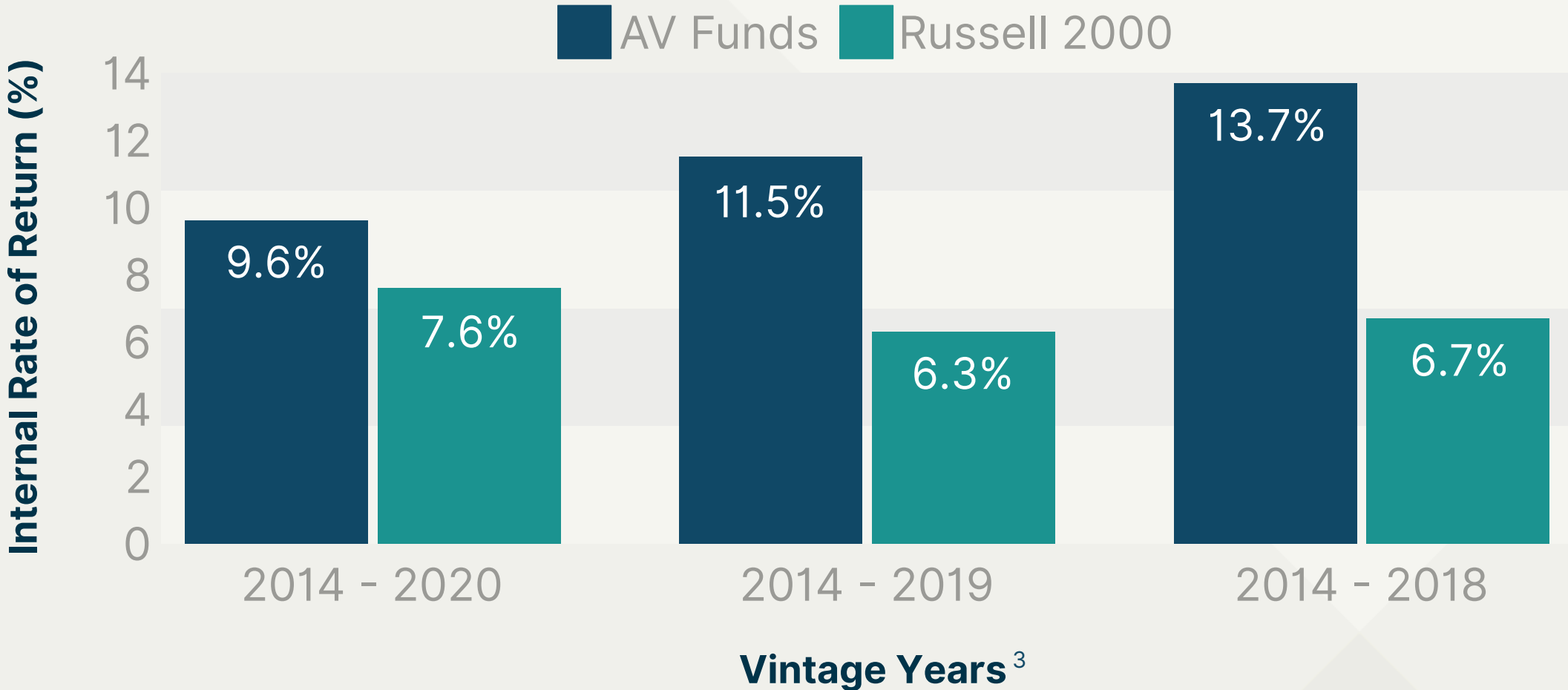


1. Largest VC for individual investors in the U.S. based on the combination of total capital raised, number of investments, and number of investors of leading VC firms as reported by Pitchbook and other publicly available information reviewed by AV.



# Historical Performance Compared to Public Markets and Industry Benchmarks

AV’s investment strategy has consistently delivered top-quartile returns to our investors. Performance tends to improve as a fund matures into its 10-year life, and our funds have performed favorably compared to public market equivalents.<sup>1</sup>



Performance data as of June 30, 2024

VINTAGE	AV DPI <sup>2</sup>
2016	~TOP QUARTILE
2017	TOP QUARTILE
2018	TOP QUARTILE
2019	TOP QUARTILE
2020	TOP QUARTILE

Performance data as of 03/31/24

1. Internal Rate of Return (IRR) for AV Funds is net of management fees and incentive allocations applied to amounts distributed to investors, and 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 and is as of 6/30/24. The IRR shown for the Russell 2000 indices is gross of fees because indices are not managed investments, and it is not possible to invest directly in an index. For additional information see [av-funds.com/disclosures](http://av-funds.com/disclosures). All investment involves risk, including risk of loss. Past performance is not necessarily indicative of future results. For more information on AV Funds' investment returns, please see here.

2. AV 2016 DPI was .72 and Top Quartile was .77. Performance data is from Cambridge Associates Venture Benchmarks and is as of 3/31/24. Industry Top Quartile as determined by Cambridge Associates. Distributions to Paid-In Capital (DPI) for AV Funds and Industry Top Quartile is net of management fees and net of incentive allocations applied to amounts distributed to investors. For additional information on Cambridge Associates and the data and calculations see [av-funds.com/disclosures](http://av-funds.com/disclosures).

3. A subsequent event affecting a security is expected to materially negatively affect performance (IRR). Pursuant to AV's valuation policy reported results will be updated for Q3 after the transaction is finalized.





# What Is Venture Capital?



# What Is Venture Capital?

Venture capital (VC) is a form of investment in private (pre-IPO) companies, where investors can capture the value created during the earliest phases of a business (between company formation and going public).



- We believe that a large, diversified portfolio strategy is critical to success in venture investing
- Many public companies you know started as venture-backed companies

# Venture Investing Is Smart Investing

- **VC has outperformed the public market equivalents** in the 5-, 15-, and 25-year periods ending December 31, 2020.<sup>1</sup>
- **VC is largely uncorrelated to the public markets**, making it attractive from a portfolio risk-mitigation perspective.<sup>2</sup>
- **Significantly more value is being created in the private markets** today than in recent years.<sup>3</sup>
- **VC portfolios** — if properly sized and diversified — **have favorable risk/reward profiles** that continue to attract more capital from the most sophisticated institutional investors.<sup>4</sup>

1. Maureen Austin, David Thurston, William Prout, "Building Winning Portfolios Through Private Investments," Cambridge Associates, August 2021. Data is from 12/31/2020.

2. Invesco, "The Case for Venture Capital," Invesco White Paper Series, accessed January 11, 2022.

3. Anna Zakrzewski, Edoardo Palmisani, Giovanni Covazzi, Brian Teixeira, Bruno Bacchetti, Marco Bizzozero, Kunal Shah, Theresa Boehler, and Federico Rizzato, "The Future is Private: Unlocking the Art of Private Equity in Wealth Management," BCG, March 2022.

4. Greg Gethard, "Why College Endowments are Betting big on VC and PE," Venture Capital Journal, February 24, 2023.



# Venture Capital Has Outperformed Public Markets



## U.S. VC Index Returns vs. Public Market Equivalents<sup>1</sup>

Years Ended September 30, 2023



Venture capital **has outperformed public market equivalents** in the 3-, 5-, 15-, and 25-year periods ending September 30, 2023.

1. Pooled horizon return, net of fees, expenses, and carried interest.

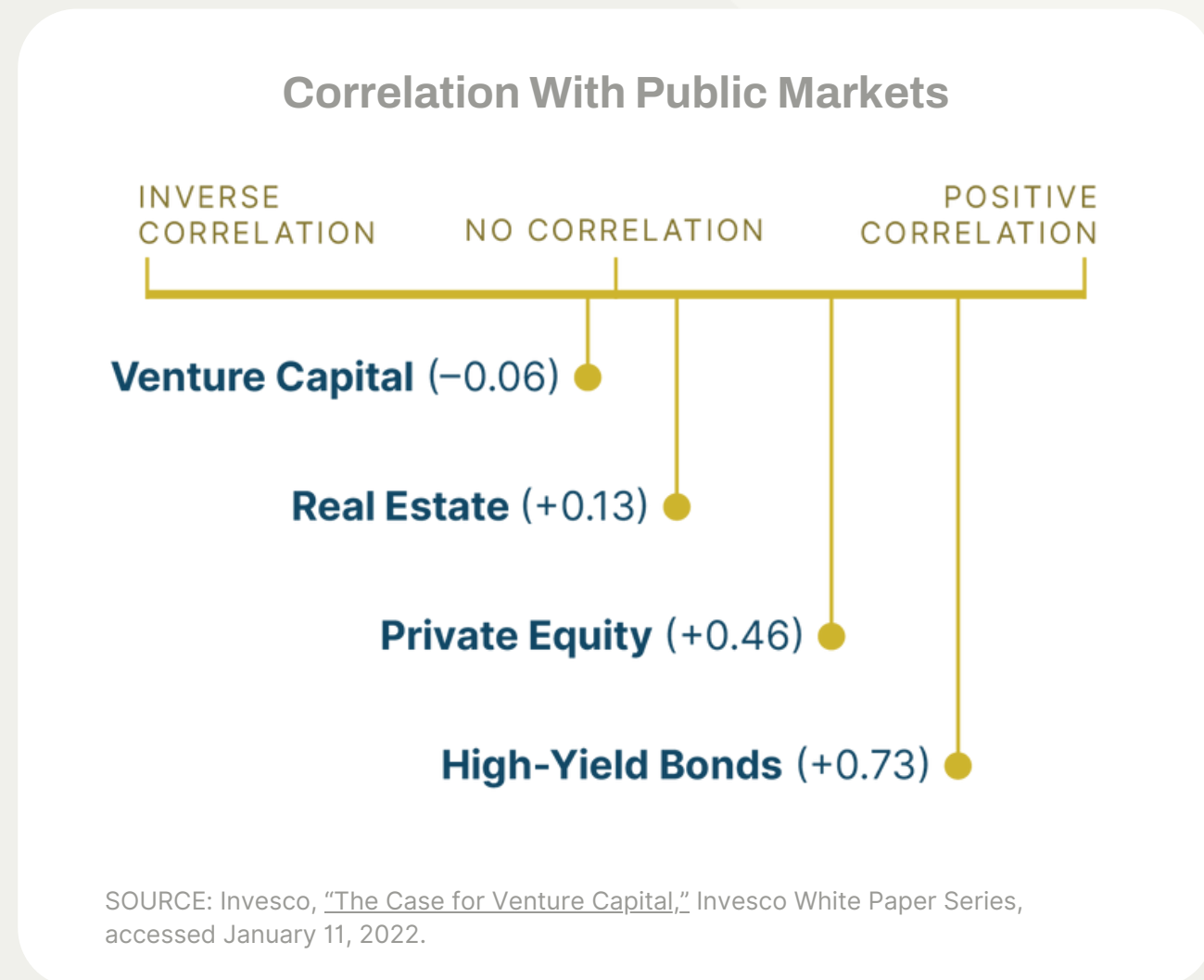
2. CA Modified Public Market Equivalent (mPME) replicates private investment performance under public market conditions. The public index's shares are purchased and sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, and mPME NAV is a function of mPME cash flows and public index returns. "Value-Add" shows (in basis points) the difference between the actual private investment return and the mPME calculated return. Refer to Methodology page for details.

3. Constructed Index: MSCI World/MSCI All Country World Index: Data from 1/1/1986 to 12/31/1987 represented by MSCI index gross total return. Data from 1/1/1988 to present represented by MSCI ACWI gross total return

# Venture Capital Is Largely Uncorrelated to Public Markets<sup>1</sup>



Uncorrelated assets can help mitigate a portfolio's overall risk when public markets are down or choppy



- Invesco's whitepaper "The Case for Venture Capital" shows that Venture Capital is **not correlated with the U.S. large caps in the public markets.**<sup>2</sup>
- A third-party analysis of thousands of venture deals done between 2015 and 2020 show that **performance is uncorrelated to the Nasdaq.**<sup>3</sup>
- From 1994 to 2017, the Cambridge Associates Private Equity Index registered **volatility half of that of the S&P and lower than the 10-year Treasury.**<sup>4</sup>

1. TopTier Capital Partners, "The Inverse Correlation Between Venture and Public Markets," TTCP Blog, March 2, 2016.

2. Invesco, "The Case for Venture Capital," Invesco White Paper Series, accessed January 11, 2022.

3. AngelList (2020, May 12). "Innovation isn't Correlated with the Markets," Head of Data Science, AngelList Abe Othman.

4. CFA Institute (n.d.). "Private Equity: Fooling Some of the People All of the Time?" Nicolas Rabener. Retrieved January 31, 2023.



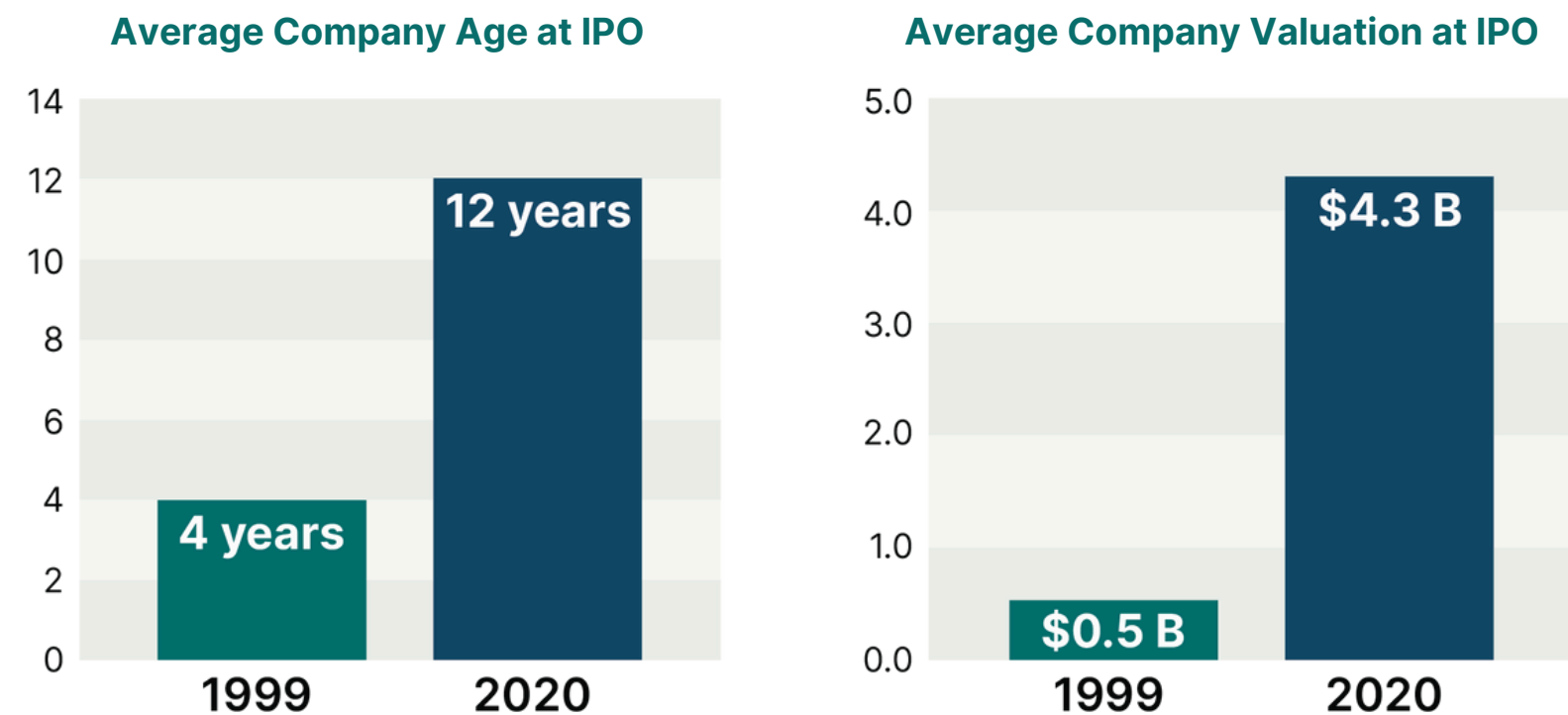
# We Are Living in a Different Era

## Most Individuals Are Missing Out on Substantial Value Creation

### Venture investors can tap tremendous value created by private companies

- Companies are staying private much longer in today's world.<sup>1</sup>
- Significant value is generated, but only to the benefit of private-market investors.<sup>2</sup>
- Public-market investors miss out from enormous value creation in private markets.

### More Value Is Being Created Before the Public Markets



SOURCE: Anna Zakrzewski et al., "The Future is Private: Unlocking the Art of Private Equity in Wealth Management," BCG, March 2022.

1. Anna Zakrzewski et al., "The Future is Private: Unlocking the Art of Private Equity in Wealth Management," BCG, March 2022.

2. Jason Thomas, "Global Insights Reflections on the Revolution in Finance," Carlyle, February 8, 2021.

# Sophisticated Investors Are Increasing Allocation to VC



## According to a 2021 Cambridge Associates whitepaper:<sup>1</sup>

- Some \$3 billion+ endowments had an **average allocation to private equity/venture capital of 28.2%**.
- Institutions with higher private investment allocations **experienced higher returns historically**.
- And those **returns tended to be less volatile**.
- Relative benefits are even more dramatic for VC alone.

“College endowments of \$1B+ on average allocated over 14% of their portfolios to venture capital in 2022.”

— VENTURE CAPITAL JOURNAL, 2023<sup>2</sup>

“Endowments of all sizes have been increasing their commitments to private funds over the last five years.”

— CAMBRIDGE ASSOCIATES, 2022<sup>3</sup>

“U.S. institutional investors are looking to allocate more of their portfolios to alternative investments as a way to combat inflationary pressure.”

— BOSTON-BASED CERULLI ASSOCIATES, 2022<sup>4</sup>

“In a recent study, UHNW families are allocating 10% of their total portfolios to venture capital.”

— CAMPDEN WEALTH RESEARCH STUDY<sup>5</sup>

1. Maureen Austin, David Thurston, William Prout, “Building Winning Portfolios Through Private Investments,” Cambridge Associates, August 2021. Data from 12/31/2020.

2. Greg Gethard, “Why College Endowments are Betting big on VC and PE,” *Venture Capital Journal*, February 24, 2023.

3. Suzanne Brenner and Justin Reed, “Market and Portfolio Update Q3 2022,” Brown Brothers Harriman, July 26, 2022.

4. Laxman Pai, “U.S. Institutional Investors Increase Allocation to Alternative Investments,” *Opalesque*, December 9, 2022.

5. Francois Botha, “6 Family Office Trends In Direct And Venture Capital Investment,” *Forbes*, August 20, 2020.



# Alumni Ventures' Approach





# AV Co-invests With Experienced Venture Firms and Sector Experts

AV has relationships with hundreds of venture firms globally; below is a sample of some of our frequent co-investors

ANDREESSEN HOROWITZ

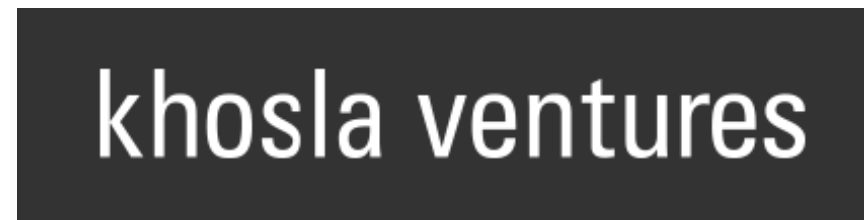
Andreessen Horowitz



Kleiner Perkins



First Round



Khosla



Y Combinator



Union Square Ventures



NEA



Sequoia



GV

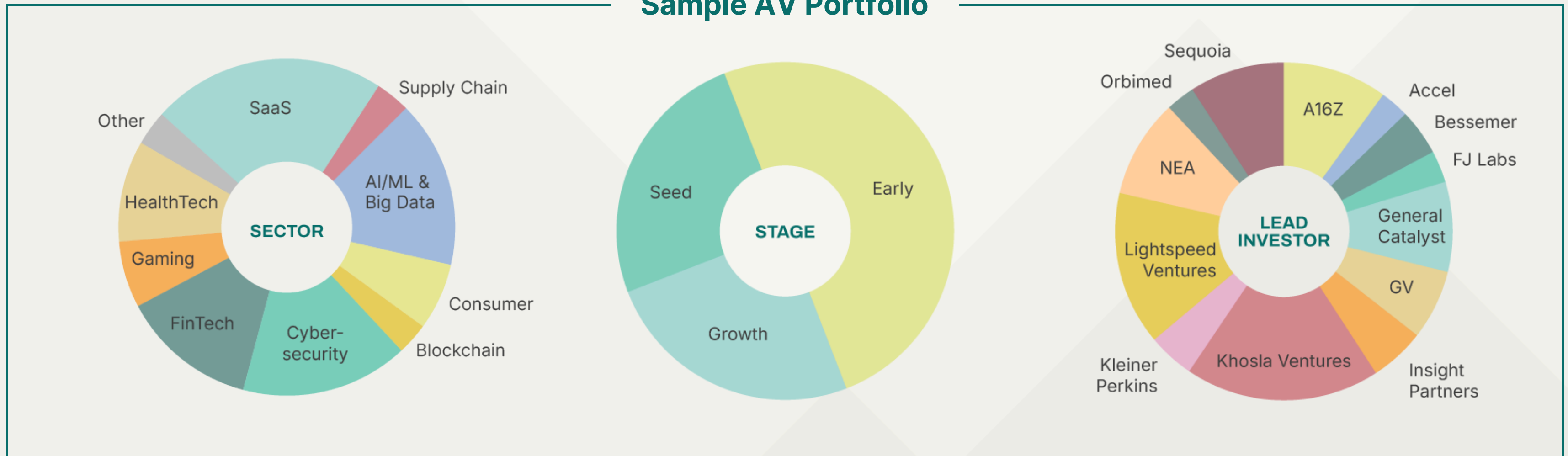
NOTE: Co-investors are shown for illustrative purposes only and do not represent all co-investors with which AV has invested. There can be no guarantee of who may be co-investors in the future. The identity of any co-investor is not a guarantee of investment quality or performance. Venture capital investing involves substantial risk, including the risk of loss of all capital invested. Past performance does not guarantee future results.

# Diversification<sup>1</sup> by Design



- Diversified by sector, stage, geography, lead investor
- Broad, deep portfolios may help minimize risks and are geared to maximize opportunities for return
- Many of our investors choose to reinvest in each fund vintage

## Sample AV Portfolio<sup>2</sup>



1. Diversification is a strategy used to help mitigate risk but cannot ensure a profit or protect against loss in a declining market.

2. For illustration purposes only. Different AV Funds may differ in the number of investments and the levels and types of diversification targeted.

# How Do We Get Access to Great Investments?



## Network-Powered Venture Capital

- **Alumni-centric approach creates a nexus of powerful connections**, empowering startup founders by providing capital and access to a network of 750K+ community members from leading universities.
- Our value-add to entrepreneurs is highly appealing — **one of the best rolodexes in the venture industry.**
- Connecting entrepreneurs to advisers, clients, partners, and potential employees.
- **CEO Services helps our portfolio companies** grow by leveraging our expertise and extensive community.



**10,000+**

Individual investors

**1,400+**

Founders of our portfolio companies

**750k+**

Community members <sup>1</sup>

**~120**

Full-time employees

**Notable investments** in the AV Fund Family: **Upstart, Wasabi, Carta, Algorand, SonderMind** <sup>2</sup>

1. Community size is the sum of (a) people opting-in to AV marketing, (b) people investing with AV, and (c) people following AV on social media.

2. NOTE: For illustration purposes only. These investments are not intended to suggest any level of investment returns; not necessarily indicative of investments invested by any one fund or investor. Many returns in investments result in the loss of capital invested. These investments are not available to future fund investors except potentially in certain follow-on investment options. For information on individual portfolio company exit events across all AV Funds over the prior twelve months, click [here](#). To see additional risk factors and investment considerations, click [here](#). Contact [info@av.vc](mailto:info@av.vc) for additional information.

# A Consistent Approach to Evaluating Deals

**Deal scorecard and evaluation process leverages the wisdom and experience of the collective team**

- The scorecard guides our information-gathering and diligence efforts
- The scorecard focuses discussion among AV teammates on the most critical aspects of a deal and points that require further diligence
- Multiple AV teammates (across different investment teams) evaluate and score every deal that AV invests in

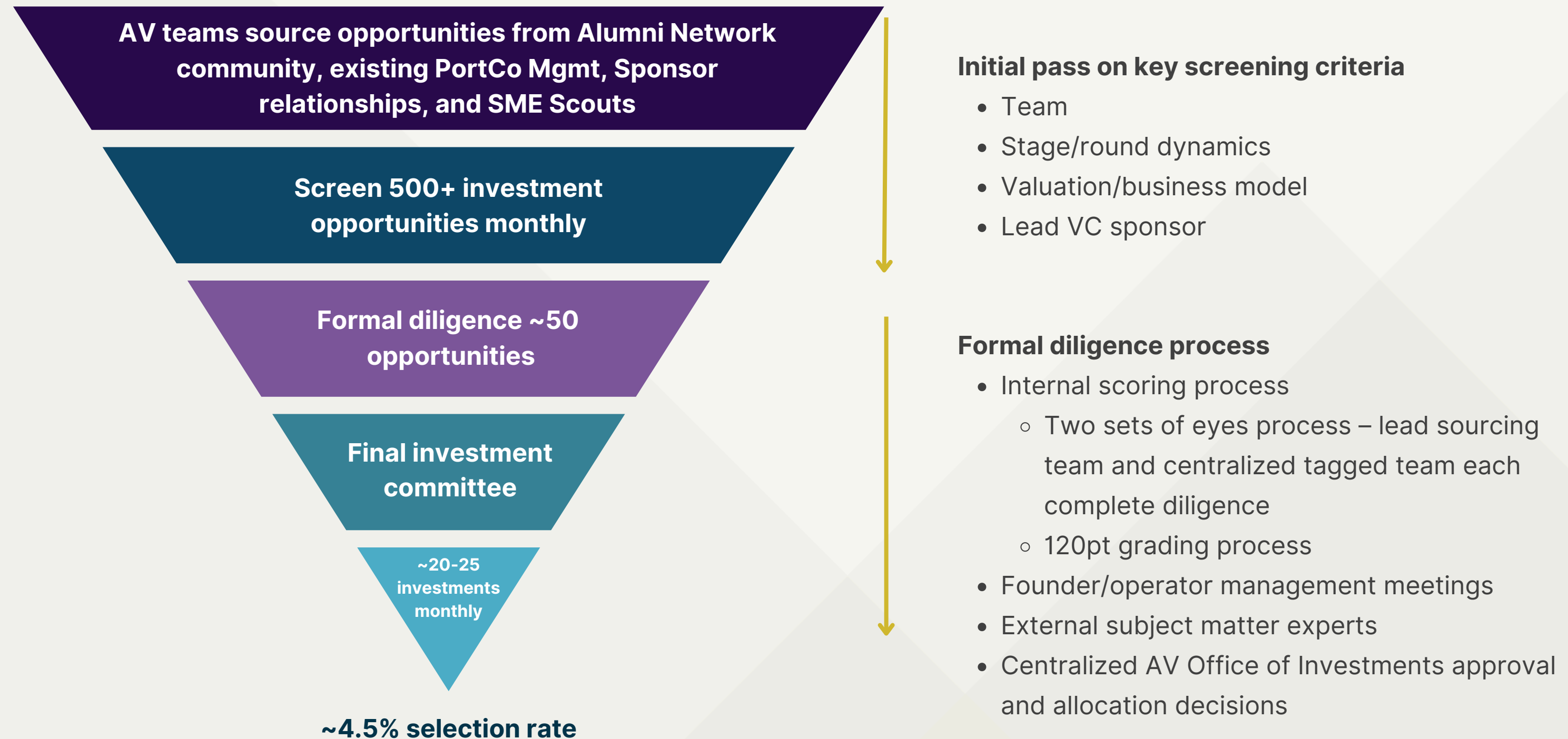
The information presented is intended as a summary only and does not comprehensively describe AV's investment evaluation process. The process employed in a specific case may vary in appropriate circumstances.



# Multi-step, Disciplined Investment Process



## AV Deal Funnel\*



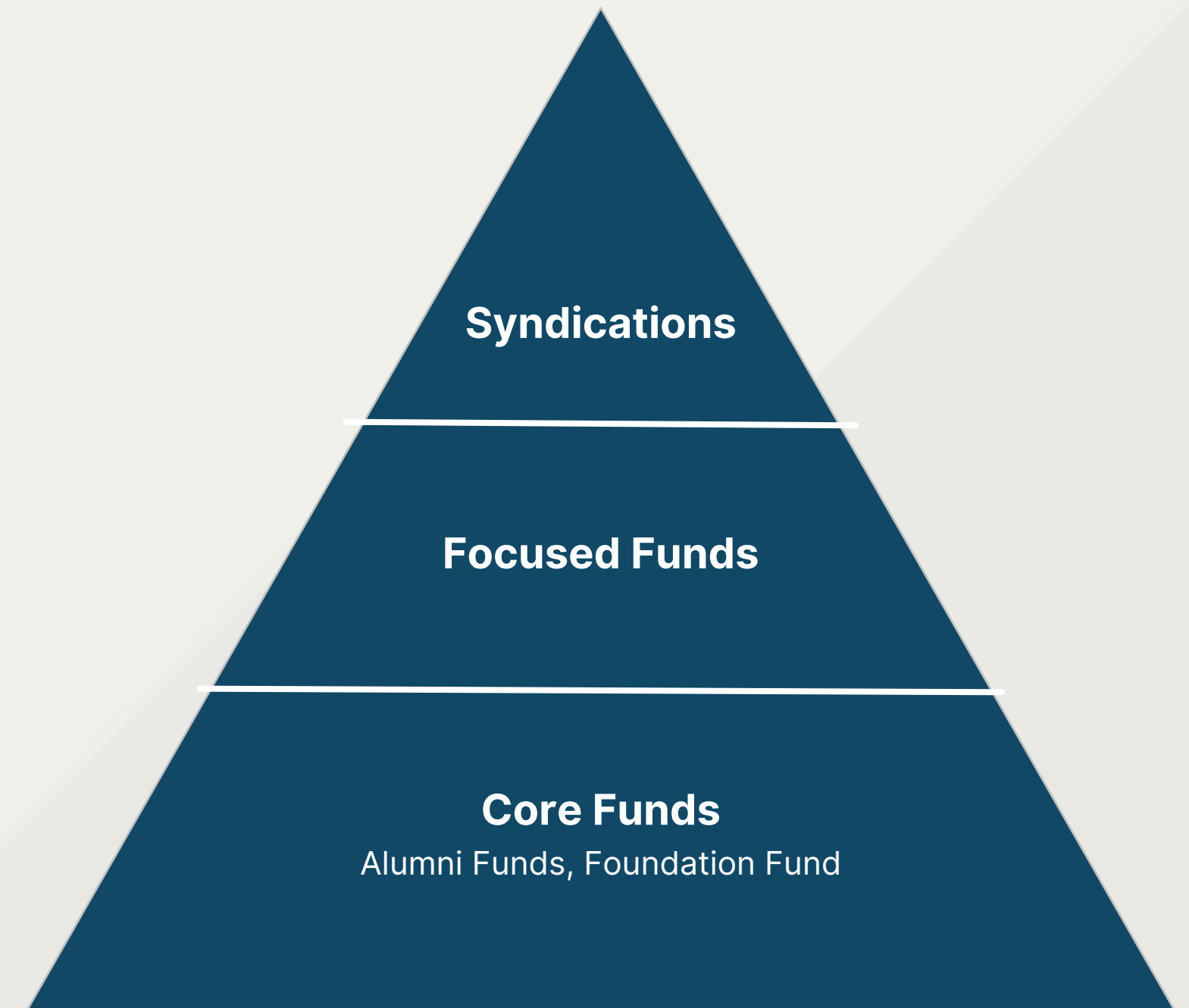
\* Approximation

# Fund Offerings

# Diversification and the AV Product Line



- Goal: Hundreds of companies
- Diversification of an individual vintage portfolio over sectors, stages, regions, and leads
- Diversification of products
  - Core Funds with strong diversification
  - Focused Funds to back a specific sector or thesis
  - Syndications to invest in a single startup where you have a portfolio gap or strong conviction



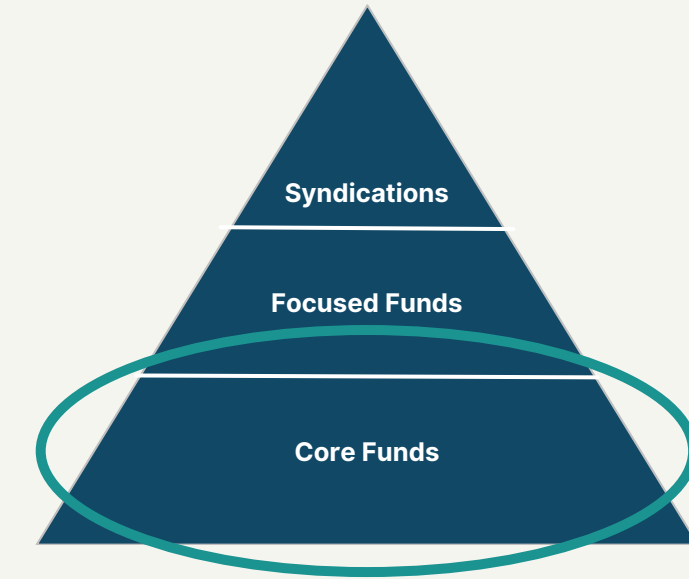
# Core Funds



Diversified Fund available to all accredited investors



Funds for school communities



 <b>Boston University Alumni</b> Comm Ave Ventures	 <b>Brown Alumni</b> Waterman Ventures	 <b>BYU Alumni</b> Provo Ventures	 <b>Carnegie Mellon Alumni</b> The Fence Ventures	 <b>Columbia Alumni</b> 116 Street Ventures	 <b>Cornell Alumni</b> Triphammer Ventures	 <b>Dartmouth Alumni</b> Green D Ventures	 <b>Duke Alumni</b> Towerview Ventures	
 <b>Georgetown Alumni</b> Potomac Ventures	 <b>Georgia Tech Alumni</b> Fowler Street Ventures	 <b>Harvard Alumni</b> Yard Ventures	 <b>MIT Alumni</b> Castor Ventures	 <b>Northwestern Alumni</b> Purple Arch Ventures	 <b>Notre Dame Alumni</b> Two Lakes Ventures	 <b>NYU Alumni</b> Bleecker Street Ventures	 <b>Ohio State Alumni</b> Mirror Lake Ventures	
 <b>Penn State Alumni</b> Allen Street Ventures	 <b>Penn Alumni</b> Chestnut Street Ventures	 <b>Princeton Alumni</b> Nassau Street Ventures	 <b>Purdue Alumni</b> Stadium Avenue Ventures	 <b>Stanford Alumni</b> Spike Ventures	 <b>Texas A&amp;M Former Students</b> Ring Ventures	 <b>UC Berkeley Alumni</b> Strawberry Creek Ventures	 <b>U Chicago Alumni</b> Lakeshore Ventures	
 <b>University of Michigan Alumni</b> Arbor Street Ventures	 <b>University of Texas Alumni</b> Congress Avenue Ventures	 <b>U Washington Alumni</b> Yoshino Ventures	 <b>UCLA Alumni</b> Westwood Ventures	 <b>University of Michigan Alumni</b> Arbor Street Ventures	 <b>University of Texas Alumni</b> Congress Avenue Ventures	 <b>U Washington Alumni</b> Yoshino Ventures	 <b>UCLA Alumni</b> Westwood Ventures	 <b>Yale Alumni</b> Blue Ivy Ventures



# Focused Funds



## Annual Focused Funds



**AI**  
FUND



**WOMEN'S**  
FUND



**DEEP TECH**  
FUND



**SPORTS**  
FUND



**SEED**  
FUND



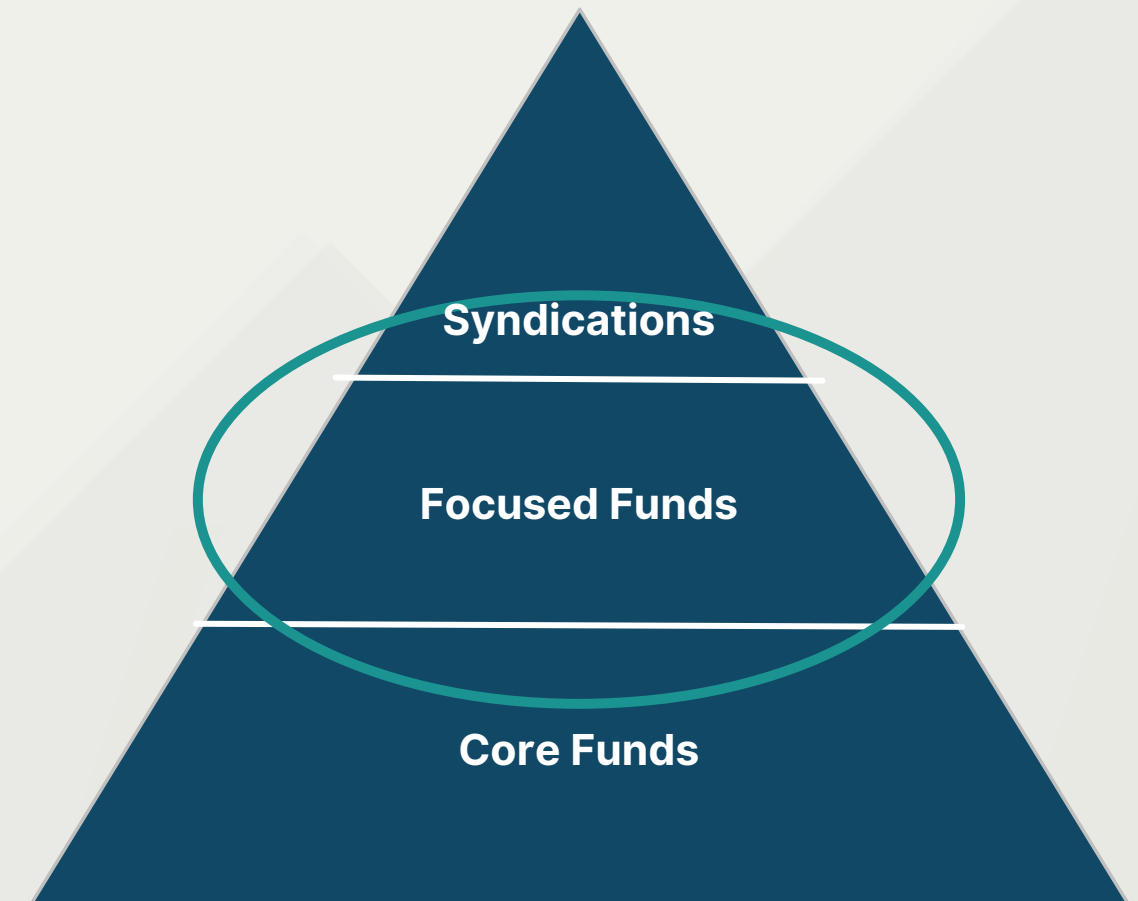
**CIO SELECT**  
FUND



**HEALTHTECH**  
FUND



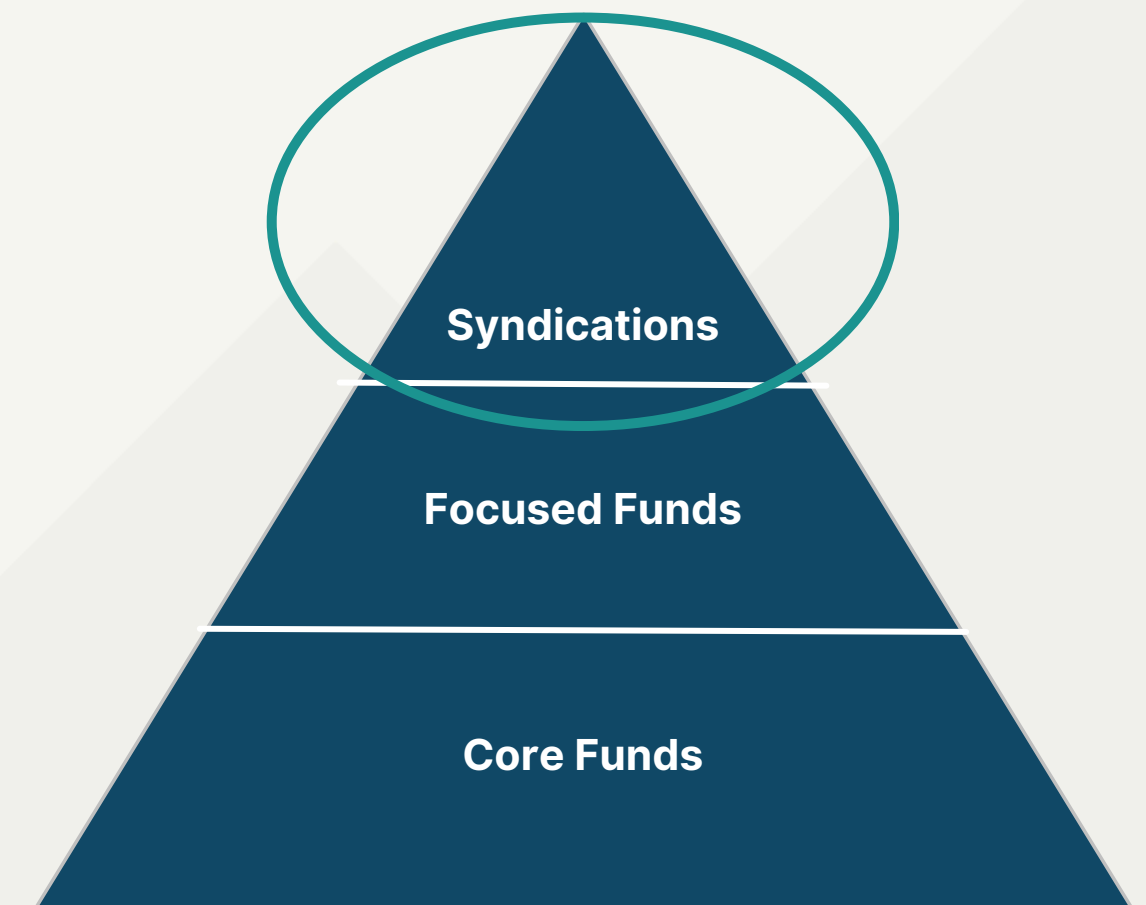
**U.S. STRATEGIC TECH**  
FUND



# Syndications



- Deals invested in by one or more of our funds
- We share our data room
- Chance to build investing muscles for you and your family members



Syndications are generally investments in single-asset funds with concomitant concentration risk. Not all AV portfolio companies will be available for syndication investment.

# Sample of AV Portfolio Companies



Original valuation (2020): **Series A \$35M**  
Most recent (2022): **Series C \$729M**



Original valuation (2019): **Series C \$180M**  
Most recent (2021): **Series E \$1.75B**



Original valuation (2017): **Series C \$106M**  
Most recent (2021): **Series G \$568M**



Original valuation (2019): **Series A \$65M**  
Most recent (2021): **Series C \$1.1B**



Original valuation (2019): **Series B \$97M**  
Most recent (2022): **Series D \$2,550M**



Original valuation (2021): **Series B \$180M**  
Most recent (2022): **Convert \$550M**



Original valuation (2018): **Seed \$5.5M**  
Most recent (2021): **Series C \$1.45B**



Original valuation (2017): **Series C \$178M**  
Most recent (2020): **IPO \$1.5B Market Cap**



Original valuation (2016): **Series A \$11M**  
Most recent (2021): **Series C \$563M**

NOTE: For illustration purposes only. These investments are not intended to suggest any level of investment returns; not necessarily indicative of investments invested by any one fund or investor. Many returns in investments result in the loss of capital invested. These investments are not available to future fund investors except potentially in certain follow-on investment options. No representation is intended that the investments shown are indicative of the returns experienced by any AV fund or investor or that any AV fund or investor will obtain results comparable to those shown. Learn more [here](#).



# Testimonials

## Why Investors & Founders Choose Us

NOTE: Testimonials and Endorsements were provided without compensation but each provider has a relationship with AV from which they benefit. Management of portfolio companies have received, and may in the future receive, investments from AV funds, which constitutes a conflict of interest. All views expressed are the speaker's own. The providers of the testimonials/endorsements were not selected on objective or random criteria, but rather were selected based on AV's understanding of its relationship with the providers of the testimonials / endorsements. The testimonials and endorsements do not represent the experience of all AV fund investors or all companies in which AV funds invest.

### Access

"It's been great investing via Alumni Ventures. I loved their speed and love their solutions for international investors. Their dashboard makes data very transparent. I can find out exactly what startups are part of the various funds that I invested in and how each startup is doing."



**Karim Tadjin**  
Investor

### Strategy

"Despite my association with AV for only about a year, I have found them deliberate and diligent in evaluating portfolio companies they recommend. The portfolio managers are capable subject experts and are willing to give their time to explain the investment philosophy to even a novice like myself; truly a world-class organization."



**Jayesh Mehta**  
Investor

### Value-add

"When I was raising our seed round, a very well-known founder friend of mine said, 'Do you know Bascom Ventures? The whole Alumni Ventures group is seriously one of the most value-add investors I've ever seen.' There is no better reference you can get than from another founder."



**Robert Crowe**  
CEO & Co-Founder, Matchwell

### The Network

"I've been impressed and most appreciative of the speed with which your team operates. I was just telling [my Co-Founder] Tom the other day that, based on the quality of the folks you've been able to connect us with already, this could have a material impact on our business!"



**Jonathan Lacoste**  
CEO, Jebbit

# Alumni Ventures Key Terms

- **Investment Amount:** \$25K - \$3M
- **How to Invest:** With cash, trusts, retirement funds, or vehicles created for non-U.S. citizens.
- **Management Fee:** AV charges an amount equivalent to 2% annual management fee for a fund's 10-year term. Loyalty rewards for commitments at qualifying threshold; [see here](#) for more information.
- **Profit Share:** Investors are typically paid proceeds from investments within 45 days following the quarter in which a portfolio company exits or provides a distribution. After all capital contributions are returned to investors, including the entire management fee, Alumni Ventures shares profits 80/20 (80% to investors and 20% to Alumni Ventures).
- **One Capital Call:** AV will take its management fees when you fund your commitment and charges the fund no other expenses for items such as travel, fund formation, accounting or other admin-related costs, so you will not be subject to any additional capital calls throughout the life of the fund.
- **Term:** Liquidity is provided over ten years as investments exit. There are no more management fees if a company remains in a fund beyond 10 years.
- **Retirement Account Investing?** Yes, available.

NOTE: Different funds have different profit-sharing structures; see AV's full Fees & Profit Sharing disclosure [here](#).



# QSBS: A Potential Significant Tax Advantage

Certain investments with Alumni Ventures **may potentially be 100% tax-exempt** from federal and some state capital gains (up to \$10M) through QSBS.

- **Investments that may be eligible for QSBS will be noted on K-1**
- **Investing earlier = more potential companies qualify:** You can only get the benefit if your personal investment in the fund is fully signed and funded prior to the fund investing into a given company.
- **Expectation setting:** It's impossible to predict the volume and scale of what future exit and liquidity events will look like. We expect there to be many qualifying exit events throughout our portfolios that have a widespread positive impact for our investors.





# Loyalty Rewards & Fee Reductions

We have built AV around serving the needs of our 10,000+ individual investors. Fee reductions are automatically reallocated towards additional investable capital for the relevant investments, and **eligible investors can earn both types of rewards simultaneously on eligible investments.**

## Committed Capital Rewards<sup>1</sup>

Fee reductions for those who cumulatively have \$500K+ committed capital with AV and our funds.

- Our most loyal and long-term investors earn fee reductions on all investments after attaining eligible investment totals.

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%

## Timing Rewards

Fee reductions for those who invest earlier in the fundraise process.

- Investors joining the fund during the First or Second Close will be rewarded with a reduction of Management Fees as shown below.<sup>2</sup>

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

1. 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 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. For more information, see [here](#).

2. Eligible fund types include Eligible fund types include Alumni Funds, Focused Funds, Total Access Funds, and Community Funds. Ineligible fund types include Ineligible fund types include Syndication Funds and Opportunity Funds. Timing rewards begin for eligible funds that have initial closes in December 2023 and onward. All Fee Reductions remain subject to change at the discretion of AV without notice to investors.

# Build Long-Term Wealth With a Consistent Allocation to Venture Capital

- **Reinvesting proceeds** can potentially lead to exponential returns due to compounding.
- Like dollar cost averaging, consistent annual investing adds time diversification to a portfolio, which can **reduce risk** and help to ensure one doesn't miss out on periods of **significant appreciation**.
- Having an annual plan, and sticking with it, could **potentially create a self-funding venture portfolio**.

If profits involve unrealized gains, those cannot be used to fund subsequent investments.





# New Investor Onboarding



New investors are assigned to an Account Manager and are invited to join an onboarding webinar with Alumni Ventures Founder & CEO, Mike Collins, and our Account Management team.

## Your Account Managers:



Stephanie King

SENIOR VICE PRESIDENT



Hilary Ncala

SENIOR VICE PRESIDENT

- “First Call” for anything you need as an investor
- Make sure you know what’s in your portfolio, and how it’s performing
- Can assist with any administrative questions or needs

# Questions? Our Senior Partners Are Here to Help



**DAN BURNS**  
Senior Partner



**STACEY TSAI**  
Senior Partner



**DARRIN WIZST**  
Senior Partner

**[VIEW FUND MATERIALS](#)**

 [or Book a Call](#)

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# RISK FACTORS AND INVESTMENT CONSIDERATIONS

## **Investments in Reliance on Rule 506(c) of Regulation D; Ability to Participate in Investments Dependent upon Status as an Accredited Investor.**

The fund may acquire one or more securities in transactions involving a general solicitation. The offering entities of these securities may charge certain fees and expenses, including a portion of the amount invested from each investor and a portion of the proceeds when the investment has a liquidity event. If an issuer admits even one investor who is not accredited, it would be likely to have a material adverse effect on such issuer. Further, the SEC has adopted regulations under which crowdfunding may be used by small issuers to seek funding from non-accredited as well as accredited investors. Consistent with those regulations, the fund may locate and acquire securities through registered funding portals as well.

## **FEES; TIME REQUIRED TO MATURITY OF INVESTMENT; NATURE OF INVESTMENTS.**

The fund is subject to substantial fees which AV may keep irrespective of profitability. This fee maybe offset by profits on income generated from securities or sales of securities to avoid losses. Furthermore, any profits earned by the fund or for certain funds, its investments regardless of overall fund profits, will be subject to the promoted interest from which AV or its affiliates will benefit. There can be no assurances that AV will be able to secure investment capital in amounts sufficient to provide the fund with enough capital to enable it to meet its investment objective. While the fund intends to invest in the number of securities identified in the materials even if only a minimal amount is raised, the fund may not be able to meet this objective or may not be able to invest in some securities due to it not being able to meet minimum investment requirements. There can be no assurance that AV will either identify or consummate profitable investments for the fund. It is anticipated that a period of time will be required for AV to identify and effect acceptable investment opportunities sufficient to fully invest the capital received by the fund. The securities will be comprised primarily of “restricted securities” and the fund will not be able to readily liquidate such securities. Investments in start-ups and emerging companies are highly speculative. The portfolio companies may require several years of operations prior to achieving profitability and may never achieve profitability. The securities will be illiquid and may not have realizable value for several years, if ever. The securities acquired by the fund may be subordinated or junior in right of payment to senior or secured debt or other equity holders. In the event a portfolio company cannot generate adequate cash flow to meet debt service, all or part of the principal of such company’s debt may not be repaid and, in such event, the value of the securities could be reduced or eliminated through foreclosure on the portfolio company’s assets or the portfolio company’s reorganization or bankruptcy.

## **PORTFOLIO COMPANY RISKS.**

Although the fund’s investments may offer the opportunity for significant gains, such investments will involve a high degree of business and financial risk that can result in substantial losses. These risks include the risks associated with investment in companies in an early stage of development or with limited operating history, companies operating at a loss or with substantial variations in operating results from period to period, and companies that need substantial additional capital to support expansion or to achieve or maintain a competitive position. AV expects that most portfolio companies will require additional capital, the amount of which will depend upon the maturity and objectives of the particular portfolio company. It is anticipated that each round of funding will provide a portfolio company with enough capital to reach the next major valuation milestone. If the capital provided is insufficient, or for other reasons, the portfolio company may be unable to raise the additional capital or may have to do so at a price unfavorable to the prior investors including the fund. The availability of capital also is a function of capital market conditions that are beyond the control of the fund or any portfolio company. There can be no assurance that AV or the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that any additional funds will be available from any source.

## **LIMITATIONS ON LIQUIDITY OF INVESTMENTS; EFFECT ON VALUE.**

It is anticipated that a substantial portion of the fund’s investments will consist of securities that are subject to restrictions on sale by the fund because they were acquired from the issuer or a third party in “private placement” transactions or because the fund is deemed to be an affiliate of the issuer under applicable law.

## **LEGAL DISCLOSURES**

Each of the various funds is a different series of Alumni Ventures Group Funds, or Alumni Ventures Sidecar Funds, LLC (AV Funds). Each of the funds involves a different investment portfolio and risk-return profile. The manager of each fund is Alumni Ventures Group Funds, LLC, a Delaware-based venture capital firm.

# RISK FACTORS AND INVESTMENT CONSIDERATIONS

The risks of purchasing an Interest include, but are not limited to, the following:

## **General; Operating History of the Fund; Risks Inherent in Investment Strategy.**

The purchase of units in the fund is highly speculative and involves significant risks, and the units should not be purchased by any person who cannot afford the loss of their entire investment. The investment objective of the fund is also highly speculative. Holders of units may be unable to realize a substantial return on their investment in the units, or any return whatsoever, and may lose their entire investment. For this reason, each prospective purchaser of units should read all offering and legal materials carefully and consult with their attorney and business and/or investment advisor. The fund does not have any significant business history or operating experience that investors can analyze to aid them in making an informed judgment as to the merits of an investment in the fund. There can be no assurance that the fund will be able to generate revenues, gains or income, or, even if it generates revenues, gains or income, that its investments will be profitable. Any investment in the fund should be considered a high-risk investment because investors will be placing their funds at risk in an unseasoned start-up investment vehicle with the attendant unforeseen costs, expenses, and problems to which a new business is often subject. The fund has been newly organized to acquire securities. Those securities will be highly speculative. The composition and terms of the securities, as well as the portfolio companies or other funds issuing such securities, has not been determined and will be influenced by various factors, including the availability and pricing of the securities, the expected growth potential of the portfolio companies, and the availability of fund capital allocated to purchase such securities. The fund's strategy is to rely on information provided by potential portfolio companies and on the AV's independent research and judgment. No assurance can be given that information provided by third parties will be accurate or that the fund's investment strategy will be successfully implemented.

Generally, the fund will not be able to sell these securities publicly without the expense and time required to register the securities under the Securities Act, or may only be able to sell (or may choose to sell) the securities under Rule 144 or other rules under the Securities Act, which permit only limited sales under specified conditions.

## **INVESTMENT VALUATION DETERMINED BY AV.**

AV will be responsible for the valuation of the fund's investments in its portfolio companies that are not listed or otherwise traded in an active market. There is a wide range of values that are reasonable for an investment at a given time and, ultimately, the determination of fair value involves subjective judgment not capable of substantiation by auditing standards. In some instances, it may not be possible to substantiate by auditing standards the value of the fund's investment in a portfolio company. In connection with any future in-kind distributions that the fund may make, the value of the securities received by investors as determined by AV may not be the actual value that the investors would be able to obtain even if they sought to sell such securities immediately after an in-kind distribution. In addition, the value of an in-kind distribution may decrease or increase significantly subsequent to the distributees' receipt thereof, despite the accuracy of AV's evaluation.

## **No Market for Units.**

Funds will only be available for distribution when securities are sold or when distributions of funds are made by portfolio companies with respect to any securities. The time that distributions are actually made will be solely dependent upon the timing of the realization of proceeds from the securities and the determination of AV to distribute any such funds. No market for the units exists, and it is not anticipated that one will develop. The units are not redeemable or transferable except as outlined in the Operating Agreement. Purchasers of the units will be required to bear the economic risk of their investment for an indefinite period of time. The units are not registered under the Securities Act or applicable state securities laws and may not be re-sold unless they are subsequently registered or an exemption from registration is available. Investors have no right to require, and the fund has no intention of effecting such registration. Consequently, an investor may not be able to liquidate an investment in the units, and a bank may be unwilling to accept the units as collateral for a loan. The units will not be readily marketable, and purchasers thereof may not be able to liquidate their investments in the event of an emergency.

## **Conflicts of Interest; Co-Investment; Cross-Class Liability.**

AV, the members of the investment committees of the AV funds with which the fund co-invests, and their respective affiliates may face various conflicts of interest in connection with their respective relationships and transactions with the fund. AV's other clients, and/or its personnel, may invest on a side-by-side basis with the fund, the fund may invest in securities in which another client has invested, or another client may invest in an opportunity that may also be appropriate for the fund. AV and its affiliates currently have other investments that may compete directly with the fund for investment opportunities and AV intend to organize and manage additional entities similar to the fund. In addition, the fund and other clients may seek to invest in portfolio companies based on rights to participate granted in connection with the fund's or other clients' prior investment in the portfolio company. Over time AV will allocate investment opportunities in a fair and equitable manner acting in the best interest of its clients as determined by AV's sole discretion. AV will consider whether each selected investment is suitable for each client based on criteria germane to that client, which may include legal, tax, regulatory, and other criteria, such as the client's investment objectives, strategy, and diversification requirements and available cash to invest. AV and its affiliates will not be prohibited from making additional investments or participating in business ventures outside of and independent of the fund.

## **Compensation to Manager and Its Affiliates; Lack of Separate Representation.**

It is anticipated that counsel to AV will continue to represent AV and the fund after the consummation of the offering described herein. Such counsel has not acted independently on behalf of the investors, and potential investors should consult with and rely on their own legal counsel with respect to analyzing the terms of this investment and any future matters related to the fund or the ownership of units in the fund.

Contact [info@av.vc](mailto:info@av.vc) for additional information. To see additional risk factors and investment considerations, visit [av-funds.com/disclosures](https://av-funds.com/disclosures)