

Factorial Funds Management LLC



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This “Brochure” provides information about the qualifications and business practices of Factorial Funds Management LLC (“FFM”) and its affiliates. If you have any questions about the contents of this Brochure, please contact FFM’s Chief Compliance Officer, Denis Laloy, at (209) 265-8990 or by email at denis.laloy@factorialfunds.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Additional information about FFM is also available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to FFM as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

Item 2 - Material Changes

Since FFM's initial Brochure dated June 2025, this Brochure has been updated to reflect the current regulatory assets under management of FFM. In addition, the Firm has removed its advisory relationship with Etna Capital Management Limited as disclosed in Item 10. The Firm has also revised its minimum investment threshold for individuals and legal entities investing in the Funds.

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Item 4 – Advisory Business

FFM is an investment adviser with a principal place of business in Menlo Park, California that commenced operations as an investment adviser in 2020. FFM, together with its relying advisers, FF Int. Management Corp (“FFIMC”) and SJM Manager, LP (“SJM”) operate as a single advisory business and are herein referred to as “Factorial” or the “Firm.” The principal owner and founding partner of Factorial is Solomon Bier (“Founding Partner”).

The Firm provides investment advisory services to privately offered pooled investment vehicles including special purpose vehicles (“SPVs”) and private investment funds (“Funds,” collectively with the SPVs, “Clients”) which are typically structured as limited partnerships or limited liability companies and managed by a general partner or managing member, as applicable (each a “General Partner,” collectively, the “General Partners”). Factorial provides these investment advisory services on a discretionary basis to the Clients in accordance with the applicable limited partnership agreements, private placement memoranda, investment management agreements and other such agreements (the “Governing Documents”).

The Firm seeks capital commitments (“Commitments”) on an ongoing basis from sophisticated investors, including family offices and other institutional investors (collectively, “Investors”), to invest in one or more of the Clients that are managed by Factorial. Each Client is generally formed to make investments in and hold equity and equity-oriented securities in one or more non-public growth-oriented companies (each a “Portfolio Investment”). The Funds rely on an exemption from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to either Section 3(c)(1) or Section 3(c)(7), as defined in each Fund’s Governing Documents.

The General Partners have the overall responsibility for the management of the business and affairs of the Clients. Factorial has responsibility for the selection of Fund investments pursuant to an investment management agreement or similar agreement with each General Partner. The advisory services of Factorial and the overall responsibilities of the affiliated General Partners are described in this Brochure and in the Governing Documents. The information set forth herein regarding Factorial shall also apply in respect of the General Partners when appropriate and unless specifically noted.

Additionally, from time to time, Factorial reserves the right to provide (or agree to provide) certain Investors or other persons, including Factorial employees and/or certain other persons associated with Factorial or its affiliates (to the extent permitted by the applicable Governing Documents), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest in the same, or similar, Portfolio Investments alongside the Funds.

Factorial has entered into side letters and may, in the future, without any further act, vote, or approval of or notice to any Investor, enter into, amend or terminate side letters or other similar agreements with one or more Investors ("Side Letters"). Side Letters with Investors have the effect of establishing rights under, or altering or supplementing certain terms (including economic or other terms) of, the Governing Documents with respect to such Investors, and such rights are not made available to Investors generally. Except as required by regulation, such Side Letters generally are disclosed only to Investors in the applicable Client that have separately negotiated with Factorial for the right to review such Side Letters.

Factorial does not tailor advisory services to the individual or particular needs of the Investors. Such Investors accept the terms of advisory services as set forth in the Clients' Governing Documents. The Firm has broad investment authority with respect to the Clients and, as such, investors should consider whether the investment objectives of the Clients are in line with their individual objectives and risk tolerance prior to investment.

Factorial does not participate in wrap fee programs.

As of October 2025, Factorial managed approximately \$803 million in regulatory assets on a discretionary basis.

Item 5 – Fees and Compensation

Factorial provides investment advisory services to each Client pursuant to the applicable Governing Documents. The applicable Governing Documents set forth in detail the fees and, as applicable, carried interest structure, relevant to each Client. All prospective Investors should review the Governing Documents in conjunction with this Brochure for complete information on the fees and compensation payable with respect to the advisory relationship with the Firm.

Factorial and/or the General Partner, as applicable, may reduce, waive, or modify any fees for any Client or Investor in the Firm's sole discretion. Any such modification in respect of a certain Investor will not entitle any other Investor to the same or similar treatment.

Management Fees

As investment adviser to the Funds, Factorial receives a management fee (the "Management Fee") equal to an annual rate of up to 2.5% of Commitments, charged quarterly in advance (and pro-rated for any period that is less than a full fiscal year) generally with reductions to such Management Fees following fixed intervals of anniversaries related to each Investor's initial contribution as further described in each Fund's Governing Documents.

Prior to being a registered investment adviser, Factorial charged a fixed upfront Management Fee for its SPVs. All subscription amounts were generally irrevocable and held in an account until the closing of the SPV.

Factorial may reduce, waive or calculate differently the Management Fee for certain Investors, including but not limited to: any current and former member of a General Partner and any current or former executive partner, venture partner, member, officer, employee, or other service provider and/or advisor of the Firm, (ii) any related persons of the foregoing, including family members and their trusts, partnerships and similar estate planning vehicles established for the benefit of any of the above individuals and/or his or her family members, and (iii) any affiliates of any of the foregoing (collectively, "Associated Persons").

The General Partner of each Client is also entitled to receive performance-based carried interest distributions ("Carried Interest") as further discussed in Item 6 of this Brochure.

Additionally, the Firm reserves the right to make any such exemption from fees and/or Carried Interest for any co-investment vehicles. The details of such fees, or the exemptions thereof, will be disclosed in the Governing Documents of the co-investment vehicle.

Portfolio Investment Fees

As more fully described in the applicable Governing Documents for certain Clients, Factorial, the General Partner and/or the partners, members, officers, directors or employees of any of them may receive fees in connection with a Portfolio Investment including directors' fees or consulting fees, transaction fees, monitoring fees, break-up fees or equivalent compensation ("Portfolio Investment Fees"). These Portfolio Investment Fees are generally applied to reduce the Management Fees payable by a Client, in each case, in accordance with the applicable Governing Documents.

However, as disclosed in the applicable Client's Governing Documents, fees not subject to a Management Fee offset will generally include certain fees or other remuneration received by the Founding Partner or any other personnel of Factorial for services that are beyond typical services performed by members of boards of directors of a Portfolio Investment (e.g., acting as a member of the management team of a portfolio company), (B) the Client, a related Client, a Portfolio Investment or an individual whose primary relationship with the General Partner and the Firm is as a mere "venture partner," "entrepreneur-in-residence," "executive-in-residence," "consultant," "contractor" or "adviser" (as those terms are generally understood in the venture capital industry) or another similar professional or (C) any reimbursement of the Founding Partner, Factorial, the General Partner or any officer, director or employee of the Firm, the General Partner or any of their respective affiliates for out-of-pocket expenses incurred on behalf of a Portfolio Investment.

Other Fees and Expenses

In addition to the fees described above, certain SPVs, as outlined in the related Governing Documents, are charged a subscription fee based on the total subscription amount. All subscription amounts are generally irrevocable. Factorial reserves the right to reject any subscription in whole or in part.

Pursuant to each Client's Governing Documents, an Investor in a Client will be subject to a pro-rata allocation of Client expenses. Typical Client expenses are detailed below; however, Investors are urged to review the applicable Governing Documents for detail regarding expenses charged to their Client, as below is a summary only.

The Clients will generally bear certain organizational and offering expenses and operating expenses. The organizational and offering expenses incurred in connection with the initial offering and sale of interests in the Client and other similar expenses related to the Client are subject to a cap specified in certain of the Client's Governing Documents.

The SPVs will generally bear all of its ordinary administrative and operating expenses, including risk management expenses, its ordinary and recurring investment expenses, including custodial costs, brokerage costs, interest charges, consulting fees, legal expenses, accounting, tax reporting and auditing expenses

incurred in preparing, printing and delivering all reports (including such expenses incurred in connection with any SPV document) and tax information for members and regulatory authorities, and all filing costs, fees, travel expenses and any other expenses which are directly related to the investment of the SPV's assets, and/or any other such expenses as such may be identified as part of the applicable Governing Documents.

Fund expenses generally include costs and expenses in connection with (A) sourcing, identifying, investigating, diligencing, evaluating, structuring, negotiating, acquiring, consummating, holding, maintaining, monitoring, improving, readying for sale and disposing of securities (including legal, accounting, auditing, custodial, consulting, investment banking and other fees and expenses, commissions, appraisal fees, taxes, brokerage and other finders fees, merger fees, registration fees, due diligence and similar fees and expenses, and all reasonable out-of-pocket travel, entertainment and related expenses (including business class (or equivalent) air travel, car services, hotel accommodations and meals (collectively, "Travel Expenses"))) incurred by employees and/or other agents of Factorial, the General Partners, or their respective affiliates in connection with the foregoing and also investment and disposition opportunities that are not consummated, including any broken deal fees and expenses); (B) any bank account, credit facility, guarantee, line of credit, loan commitment, letter of credit or similar credit support or other indebtedness involving the Partnership or any Portfolio Investment (including any fees, costs and expenses incurred in obtaining such borrowings and indebtedness and interest arising out of such borrowings and indebtedness); (C) the managed distribution of marketable securities; (D) indemnification, as outlined in the related Governing Documents; (E) complying with (or facilitating compliance with) any applicable law, rule or regulation (including legal fees, costs and expenses), regulatory filing or other expenses of the Fund, the General Partner or the Firm, including Form PF filings, Corporate Transparency Act filings, anti-money laundering compliance and any compliance, filings or other obligations related to or arising out of the Alternative Investment Fund Managers Directive, in each case, involving or otherwise related to the Fund; (F) complying with tax withholding and other information reporting regimes, including FATCA and similar laws or regulations; (G) legal, consulting, custodial, administration, auditing, accounting, appraisal, valuation and other professional services related to the Fund (including (1) fees and expenses of any third-party administrator and (2) expenses associated with the preparation of the General Partner's and Fund's financial statements, tax returns and Schedules K-1); (H) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund, the Investors or the Fund's Portfolio Investments; (I) annual or other meetings of a Fund's advisory committee (if applicable), including Travel Expenses of members of the advisory committee and representatives of the General Partner attending such meetings; (J) variable administrative expenses such as Bloomberg fees, research and software expenses such as Pitchbook fees, customer relationship management and similar software fees and other expenses incurred in connection with data

services, and fees for attendance at and/or sponsorship of industry conferences, the primary purpose of which is sourcing investments; (K) annual or other meetings of the General Partner and Investors, whether individually or as a group, including Travel Expenses of representatives of the General Partner and the portfolio companies of the Fund attending such meetings; (L) maintaining the existence of the Fund and the General Partner, including, without limitation, franchise taxes and partnership registration and registered agent fees and expenses; (M) the dissolution, winding up and liquidation of the Fund and the General Partner; and (N) monitoring and compliance with all related Governing Documents, any side letter agreements and any other similar agreements related to the Fund (including any most-favored nations process or preparation of any compendium of side letter provisions) and any amendments to any such agreements (or waivers, consents or approvals thereunder); (iv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer of Fund interests or the default by the General Partner or other Investors in the payment of capital contributions; (v) any taxes, duties, fees, penalties or other governmental charges incurred or payable by the Fund (as further disclosed in the Governing Documents); (vi) premiums and fees for liability insurance allocated to the Fund by the General Partner in good faith (including the Firm's group insurance policy, cyber-security policy, general partner's, directors' and officers' liability or other similar insurance policies, errors and omissions insurance, financial institution bond insurance and any other insurance for coverage of liabilities to any person that are incurred in connection with the activities of the Fund) to protect the Fund, the General Partner, the Firm, the members and partners of the General Partner, or the Firm, and/or the directors, officers, employees or agents of the General Partner, or the Firm in connection with the activities of the Fund (*provided* that to the extent any such insurance policy provides coverage for actions that constitute material misconduct, the portion of the premiums and fees attributable to such coverage shall not be allocated to the Fund); (vii) placement agent fees; (viii) all other non-recurring or extraordinary expenses (including indemnification) attributable and allocable to the activities of the Fund, the Fund's advisory committee (as applicable) or the Investors, including costs and liabilities incurred in connection with any actual or threatened litigation, claim or proceeding involving the Fund (including the cost of any investigation or preparation) and the amount of any judgment or settlement paid in connection therewith, or other extraordinary events (including costs and expenses that are classified as extraordinary expenses under generally accepted accounting principles); and (ix) any other fees, costs and expenses otherwise approved by the Fund's advisory committee or a majority in interest of the Investors or Fund anchor investors (as applicable in each Fund's Governing Documents).

The Funds will incur brokerage costs if applicable. However, due to the nature of the Firm's business, broker-dealers are generally not used. See Item 12: Brokerage Practices.

Co-Investors will be responsible for their pro rata share of the operational costs and expenses of any related co-investment. In addition, co-Investors generally will not

share the costs of broken deal expenses for unconsummated transactions. Such broken deal expenses will generally be borne by the relevant Client.

It is critical that Investors refer to their respective Client's Governing Documents for a complete understanding of their fees and expenses.

Item 6 – Performance Fees and Side-by-Side Management

The General Partner of the applicable Client will receive performance-based compensation in the form of a profit allocation known as Carried Interest, generally equal to a rate of up to 20%, after exceeding an Investor's initial commitment or an established fixed-rate (often referred to as the "hurdle return"), from each Client in accordance with each Client's applicable Governing Documents.

The General Partner may reduce, waive or calculate differently the Carried Interest for certain Investors, including any Affiliated Partners.

Performance-based compensation arrangements are appropriate only for sophisticated Investors in a Client as they may create certain risks and conflicts of interest, including those discussed further below.

Carried Interest is subject to regulation under Section 205 of the Investment Advisers Act of 1940, as amended ("Advisers Act") and Rule 205-3 thereunder and may only be charged to "qualified clients". Therefore, Factorial seeks to ensure that any Investors that are directly or indirectly assessed are subject to Carried Interest satisfy the qualifications of Rule 205-3 under the Advisers Act.

The existence of these performance-based compensation arrangements creates various potential conflicts of interest, including an incentive for Factorial to make riskier investments on behalf of a Client than would be the case if the General Partner were not entitled to receive such performance-based compensation arrangements, or to favor certain Clients based on pecuniary or compensatory interests.

However, the long-term nature of venture capital and private equity investing mitigates such risk because Carried Interest is calculated based on realized, not unrealized, gains, giving Factorial the incentive to focus on fundamentals when making investment and add-on investments for such Client. In addition, the General Partner and other Firm affiliates also put their own capital at risk to align incentives. Further, each Client's Governing Documents and Factorial's policies are designed to ensure that all Clients are treated fairly and equitably in connection with the allocation of investment opportunities and to prohibit allocation of investments to a Client solely on the basis that Factorial has a higher potential to earn Carried Interest.

Item 7 – Types of Clients

As further described in Item 4 of this Brochure, the Firm currently provides investment advice to the Clients, which are private fund investment vehicles exempt from registration under the Investment Company Act. These Clients will be limited to individuals and entities that meet the criteria of “accredited investors” and “qualified clients,” “qualified purchasers,” or “knowledgeable employees.”

Prospective Investors should refer to the Governing Documents of each respective Client for information on minimum investment requirements. The minimum investment for an SPV is specific to the particular Client and is disclosed in the related Governing Documents. Typically, Factorial will require a minimum investment of up to \$1,000 for individuals and \$100,000 for legal entities for investment in the Funds, although the Firm maintains discretion to individually waive, increase or reduce the minimum investment required. In addition, certain of the Clients have entered into Side Letters with certain Investors, to waive certain terms and/or allow such Investors to invest on different terms than those specifically described in such Client’s Governing Documents. Under certain circumstances, these agreements create preferences or priorities for such Investors as compared to other Investors.

Item 8 – Methods of Analysis, Investment Strategies, Risk of Loss

Investment Strategy

As is further described in each Client's Governing Documents, Factorial generally seeks to make venture capital equity or equity-oriented minority investments in high-momentum growth technology companies that are focused on leading and leveraging Artificial Intelligence ("AI") innovation. The Firm also looks to invest in signature assets across space travel, software, internet, cybersecurity, cloud, data and infrastructure where AI seeks to drive the next wave of scale and value creation.

Risk of Loss

The Firm's investment strategy involves significant risks. A discussion of certain material risks is provided below. For a more complete list of expected risk factors, prospective Investors will be urged to review each Client's Governing Documents.

Operating Risks of Investments. The Portfolio Investment in Client are generally developing companies in industry sectors that entail significant operating risk. While early-stage venture investments and venture growth equity investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early stage of development or with little or no operating history, companies seeking to grow rapidly, companies operating at a loss or with substantial variations in operating results from period to period, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Many of the Portfolio Investments are at an early (or relatively early) stage of development which involve greater risks than are generally associated with investments in more established companies (such as intellectual property issues, product roll-out delays or failures, rapid obsolescence and the inability to attract and retain qualified managerial and technical employees). There is substantially less information available about most Portfolio Investments than is ordinarily available regarding publicly traded companies, and the information is generally not of the same quality. A Client typically has limited information rights with respect to one or more of its portfolio companies and, as a result, will receive less information regarding such Portfolio Investment than some or all of the other equity holders in such entity.

Early-Stage Investments. Portfolio Investments are generally privately- held, early-stage companies. These companies typically have minimal or no revenues and are usually not profitable. They require considerable additional capital to develop additional research and development activities, technologies and markets, to

acquire customers and/or achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the research and development activities and/or technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage. Early-stage companies are generally also more susceptible to the negative effects of downturns in general economic conditions or loss of a single or a small number of employees.

Growth Stage Investments. Portfolio Investments generally consist of privately held, growth-stage companies. The characteristics of these companies and related risks are similar in many ways to those described above with respect to early-stage companies. In addition, growth stage companies may not be able to effectively scale or otherwise grow at the rate that was projected in calculating the price a Client paid for an interest in such companies.

Need for Development of Portfolio Companies. Certain Portfolio Investments will be companies at early stages (including “seed” or “incubation” stage). Particularly in early-stage enterprises, a major risk exists that a proposed service or product cannot be developed successfully with the resources available to the portfolio company. Growth-stage companies may not be able to effectively scale or otherwise grow at the rate that was projected in calculating the price a Fund paid for an interest in such companies. There is no assurance that the development efforts of any portfolio company will be successful or, if successful, will be completed within the budget or time period originally estimated. Additional funds typically will be necessary to complete such development and there is no assurance that such funds will be available from any particular source or at all.

Highly Competitive Market for Investments. The Clients’ task of identifying and developing successful companies is difficult and highly competitive. Many organizations operated by persons of competence and integrity have been unsuccessful in the venture capital business. The Clients will be competing for investments with many other investors. There can be no assurance any Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration or on attractive terms, achieve any particular rate of return or fully invest its committed capital. There is a risk that investments could lose money.

Concentration of Investments. Each Client will participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment or within a short period of time) and, as a consequence, the aggregate return of a Client may be materially affected by the performance of a single investment or a single industry segment.

Difficulty in Valuing Portfolio Investments. Each Client’s investment portfolio will consist primarily of high-risk investments in privately- held companies, and valuing

the Client's investments requires significant judgment. There will be no readily available market for most of a Client's investments. A Client's investments are valued based on the principles outlined in U.S. GAAP, but the Firm's valuations of such investments will vary from similar valuations performed by other investors or independent third parties for the same or similar types of securities or assets, and there can be no assurance that the valuations of such securities reflect the value that could be obtained through a transaction with a third-party buyer in the market. In addition, valuations for many private companies can fluctuate over time depending on the private company's performance and general market conditions, among other factors. A general decline in valuations would likely impact the ability of earlier Funds to ultimately realize returns commensurate with any materials presenting prior investment performance, which would reduce the investment results of such partnerships. The value of the Funds' investments may also be affected by changes in accounting standards, policies, or practices. Due to a wide variety of market factors and the nature of certain securities and assets to be held by the Clients, there is no guarantee that the value determined by the Firm will represent the value that will be realized by the applicable Client on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

Industry Concentration Risk. The industry sectors in which each Client's investment activities will be focused may not perform as well on an industry-wide basis as is currently anticipated by the Firm. The potential underperformance of these industry sectors may be caused by any number of factors, some of which are beyond the control of the individual portfolio companies, including the impact of government regulation relating to these industry sectors and general financial market and economic conditions. Each Client is, therefore, subject to more volatility and a greater risk of loss than a more broadly diversified fund that focuses on a broader array of investments. In particular, events affecting technology-enabled companies – for example, intellectual property issues (including litigation over proprietary rights to technology or an inability to adequately protect intellectual property rights), product roll-out delays or failures, rapid obsolescence, constant technical innovation, shifting technical standards, disproportionately large research budgets, marketing expenses and market penetration by competitors and the inability to attract and retain qualified technical and managerial employees will affect the value of a Client's portfolio more than they would likely affect a portfolio that was not similarly concentrated.

Long Term Nature of Portfolio Investments. There may be a significant period of time before a Client has completed its investment program. Private company investments typically take several years from the date of initial investment to reach a state of maturity when realization of the investment may be achieved. Losses on unsuccessful investments are often realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur

for a number of years after the initial investment. Prior to such time, there often will be no current return on the investments. In recent periods, successful privately held companies have been more likely to stay private longer than in prior periods, increasing the length of time to liquidity for investors in those companies and the need for additional capital to be invested while the company is private. Longer liquidity timeframes could reduce a Client's investment returns.

Reliance on Portfolio Company Management. Each Client's Portfolio Investments will generally represent minority positions in portfolio companies, and, although such Client will often have representatives that serve on the boards of directors, such Client most often will not have the power individually to exert significant control over such portfolio companies' boards of directors and management. In such cases, such Client will rely significantly on the existing management and boards of directors of such companies, which may include unseasoned managers and representatives of other investors with whom the Clients are not affiliated and whose interests or views could conflict with the interests of such Client. This is especially true of certain seed investments and certain expansion-stage investments where a Client has less active involvement with the portfolio company, no representative on its board of directors, fewer protective provisions (e.g., limited information rights and less (or no) dilution protection), and/or a smaller ownership stake in the portfolio company. To the extent that the management of a portfolio company performs poorly, or if a key manager of a portfolio company terminates his or her employment with such company, a Client's investment in such company could be adversely affected.

Side Letters. As disclosed earlier in this Brochure, a General Partner, on behalf of a Client, from time to time, enters into Side Letters with one or more Investors, which provide such Investors with additional or different rights (including with respect to economic incentives, access to information and a Fund or General Partner reporting obligations, excuse rights, transfer rights, consent rights, co-investment rights, liquidity terms and other matters) than the Investors otherwise have pursuant to the Governing Documents. As a result of such Side Letters, certain Investors may receive additional benefits that other Investors will not receive. The General Partner, on behalf of a Fund, will not be required to notify any or all of the other Investors of any such Side Letters or any of the rights or terms or provisions thereof, or otherwise provide disclosure of such terms, nor will a General Partner, on behalf of a Client, be required to offer such additional or different rights or terms to any or all of the other investors. The General Partner, on behalf of a Client, may enter into such Side Letters with any party as the General Partner may determine, in its sole and absolute discretion, at any time. The other investors will have no recourse against a Client, the General Partner or any of their affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters.

Cybersecurity Breaches. The information and technology systems of Factorial and its respective affiliates and service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and

telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Factorial and its respective affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Factorial and its affiliates or a service provider may have to make a significant investment to fix or replace such systems. The failure of these systems for any reason could cause significant interruptions in operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors. Such a failure could harm the reputation of Factorial, the General Partners, Clients and their affiliates and respective service providers, subject to any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Force Majeure. Factorial's strategies and investments on behalf of the Clients may be affected by force majeure events (i.e., events beyond Factorial's control, including acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, future pandemics and/or any other serious public health concern, war, terrorism and labor strikes). Some force majeure events could adversely affect the Firm's ability to perform its obligations until it is able to remedy the force majeure event. In addition, the losses to the Clients resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries where Factorial may invest specifically on behalf of the Clients. Additionally, a major governmental intervention into industry, including the nationalization of an industry, could result in a loss to the Clients. Any one or any combination of the foregoing may therefore adversely affect the Fund's economic performance.

Item 9 – Disciplinary Information

There have been no legal or disciplinary events that are material to Factorial or the integrity of the Firm's management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Factorial nor its affiliates are registered, nor have an application pending to register, as a broker–dealer. Further, neither Factorial nor its affiliates are registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the forgoing entities.

The General Partners to any Fund are affiliates of the Firm. As such, any persons acting on behalf of such General Partners are subject to the supervision and control of Factorial in connection with any investment advisory activities.

The Founding Partner, the Firm and its employees, General Partners, and all respective affiliates make investments on behalf of and manage the investment portfolios of, and have continuing obligations and expect to have new and further obligations to the preexisting investments and activities and the related entities and may have obligations with respect to any entities permitted to be formed after the date hereof, all of which have made, or may make in the future, investments along lines substantially similar to those to be made by a certain Client. Those investors not in the Client will not have any rights in or to such activities, or any profits derived therefrom. Furthermore, the General Partner may select one or more persons associated with the General Partner to provide services to a Client or any company of a Portfolio Investment. However, the term of any such service arrangement between any such General Partner associated entity and the Client will be consistent with terms negotiated at arm’s length and in accordance with additional details outlined in the related Governing Documents.

While Factorial seeks to manage such potential conflicts of interest in good faith, it is possible that there will be situations in which the interests of one Client with respect to a particular investment or other matter conflict with the interests of one or more other Clients, the Founding Partner, Factorial or its related persons as well other advisory activities conducted by such individuals outside of the Firm’s advisory business. Subject to the provisions of the applicable Governing Documents, on any matter involving a potential conflict of interest, Factorial is guided by its fiduciary duties to its Clients and will seek to resolve such conflict in good faith. The Firm has implemented policies and procedures and a compliance oversight program to address these conflicts. Factorial’s Founding Partner and other senior management are responsible for ensuring that these policies and procedures are properly implemented and that all Clients are treated in a fair and equitable manner.

Item 11 – Code of Ethics, Participation/Interest in Client Transactions, and Personal Trading

Code of Ethics

Pursuant to Rule 204A-1 of the Advisers Act, Factorial has adopted a Code of Ethics (referred to in this brochure as the "Code") to ensure that the Firm fulfills its role as a fiduciary to its Fund clients. The interests of the Funds must always be recognized, respected, and have precedence over Factorial's employees. The Code requires employees to act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent that is reasonably possible, and identify and manage conflicts of interest to the extent they arise. Supervised persons are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by Factorial or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of the Firm's employees. The Code requires employees to pre-clear certain transactions, report personal securities transactions in accordance with the Code on at least a quarterly basis and submit reports to Factorial regarding personal accounts and reportable securities holdings at least annually. The Code also (i) addresses outside activities of employees, conflicts of interest, and policies and procedures concerning the prevention of insider trading, (ii) includes restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and (iii) addresses the pre-clearance and reporting of political contributions. Supervised persons are required to provide a written certification to Factorial agreeing to comply with the Code. Factorial will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Certain Factorial employees have material investments in certain Clients and, therefore, as Investors, such employees invest in every transaction made by such Client. These investments are intended to align the interests of Factorial and its related persons with those of the Clients and the Investors in such Clients; therefore, the Firm does not believe that these arrangements present any material conflicts of interest. Generally, Factorial, the General Partners, Founding Partners, employees and respective affiliates will not participate in investment opportunities of a Client other than through investing in a Client, a pooled investment vehicle managed by unrelated persons or as a follow-on investment to a personal investment held prior to the Client's investment. Further details regarding the allocation of investment opportunities through co-investments, SPVs or other investment vehicles can be found in the Client's Governing Documents.

In certain cases, a Client or Factorial will purchase securities from a company that is an existing portfolio company of another Client or sell or transfer securities of a portfolio company to a Client (including, without limitation, in connection with "warehousing" securities for a subsequently formed Client that Factorial intends to be transferred to such other Client following the closing of such other Client or a "General-Partner-led" secondary transaction) subject to any limitations or

requirements under the Governing Documents or consents required under the Advisers Act.

Factorial intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Client under the circumstances, including a consideration of the potential present and future benefits with respect to each Client. Except for any such transactions contemplated by the Governing Documents (including the anticipated purchases by one or more Clients from, or transfers of commitments to, one or more Clients by another Client), any transaction involving a purchase or sale by a Fund from or to another Fund would typically require the consent of the applicable Client's advisory committee, as subject to a Client's Governing Documents and any requirements imposed by the Advisers Act. Such a transaction or "cross trade" entails a conflict of interest because Factorial and its General Partners act for both the applicable Fund and another Fund and could be incentivized to improve the performance of the other Fund (for example, by selling an underperforming asset to a Fund in order to increase the "carried interest" payable to Factorial or its General Partners by such other Fund).

Item 12 – Brokerage Practices

Factorial does not generally intend to have an active brokerage relationship due to the type of investments made by the Firm in advising the Clients. The investments made on behalf of the Clients are generally private, illiquid and long-term in nature. In those circumstances in which Factorial determines to utilize a broker or a dealer, or a broker or a dealer is otherwise required with respect to a transaction, in order to transact on behalf of a Client, the Firm will evaluate such broker or dealer based on a range of factors, including without limitation commission price, willingness to commit capital, ability to execute the desired transaction and other factors.

Due to the nature of its business, Factorial does not use soft dollars or permit its Clients to direct brokerage.

Item 13 – Review of Accounts

As noted above, Factorial focuses on investments primarily in venture capital equity. All investments are carefully reviewed and approved, before being made, by the Firm's Investment Committee which is comprised of the Founding Partner and other senior investment professionals. The progress of all Portfolio Investments is monitored on a regular ongoing basis. Factorial is also closely involved in the management of the companies that comprise its Portfolio Investments, including its investment professionals, who, at times, are on their boards of directors. This involvement allows Factorial to continuously review the progress of its various investments. Factorial's Valuation Committee, comprised of the Founding Partner, other senior investment professionals, and the Chief Financial Officer, reviews the valuation of the Firm's Portfolio Investments quarterly in accordance with its Valuation Policy. The Clients' independent auditors further review the December 31 valuations in connection with their year-end audits.

Factorial provides each Investor with information regarding the applicable Client and its Portfolio Investments, as well as unaudited financial statements for the applicable Fund, on a quarterly basis and audited financial statements on an annual basis, in each case, in accordance with the Governing Documents of such applicable Client. In addition, Factorial regularly provides Investors with Fund and Portfolio Investment updates.

Item 14 – Client Referrals and Other Compensation

Factorial does not anticipate compensating any person who is not an employee, including third-party solicitors, for Investor or Client referrals.

Item 15 - Custody

Factorial and each General Partner, with respect to its applicable Client, are deemed by applicable regulatory rules to have constructive custody of the assets of the Clients. The Firm, the General Partners and their respective affiliates do not serve as the qualified custodian of any of the assets owned by the Clients. To the extent required, the assets of the Clients are held in custody by unaffiliated qualified custodians.

Investors will not receive statements from such custodians. Factorial satisfies the applicable regulatory requirements related to custody by, among other things, ensuring that each Client is subject to an annual audit by an independent accounting firm that is registered, and subject to regular inspection, by the Public Company Accounting Oversight Board. Each Client's audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to such Client's Investors within 120 days of such Client's fiscal year-end.

Item 16 – Investment Discretion

Factorial has discretionary authority to manage assets and securities on behalf of the Funds. The investors in the Funds generally will not have the ability to place any limits on Factorial' authority beyond the limitations set forth in the Governing Documents or any Side Letters that Factorial has with such investor of the applicable Client.

Item 17 – Voting Client Securities

The Clients are primarily invested in private companies, which typically do not issue proxies. In the event that a Client acquires equity positions or other positions in entities that may solicit proxies, Factorial has adopted a proxy voting policy as required by the Advisers Act, including the appointment of directors.

As is typical in venture capital equity investing, Factorial generally approves one or more of its employees to act as representatives on the board of directors of portfolio companies on behalf of the Clients. As noted herein, certain investment professionals serve as board members of the Portfolio Investments of the Clients in such representative capacity. In situations where Factorial votes the proxy for a Portfolio Investment in which an employee or employees of Factorial serve on the board of directors, the Firm has determined that this does not inherently present a conflict of interest as (a) the employee is on the board of directors as a representative of the applicable Client and (b) the sole purpose of this representation is to maximize the return on the Fund's investment in such portfolio company and to ensure that the Fund's interests are protected. Given these facts, each Client's and the applicable representative's role are aligned with respect to proxy voting and otherwise.

Item 18 – Financial Information

Factorial does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore has not included a balance sheet.

Factorial does not believe that there are any conditions that are reasonably likely to impair its ability to meet contractual commitments to the Funds.

Factorial has never been the subject of a bankruptcy petition.