

AV Policies for Potential Exits



AV's investment strategy is to co-invest alongside established lead VC firms. At exit, we seek to monetize our position expeditiously. At times, there might be exceptions, which are addressed in this document.

Principles

- Our goal is to maximize investor value by running a structured process that over time and across many situations will lead to the best outcomes.
- We recognize the limits to our forecasting abilities.
- AV applies consistent principles across all of its investment funds.
- AV values transparency, communicating with its investors, and distributing capital as expeditiously as possible.
- When judgment is required to exit an investment, we turn to AV's Special Situation Exit Committee (SSEC) for a decision. The SSEC is comprised of members of the executive management team, the investment management team, the investment advisory council, and the board of managers.
- We believe every exit event is an opportunity to learn and reflect. News of exit events is shared on a quarterly basis with impacted Investors through our Investor Portal. In designated cases, Exit memos are also provided to impacted investors, which give further details on key facts and reflect upon lessons learned in a given exit event.
- Please note that regulatory concerns and compliance policies limit the amount and timing of information that can be shared with respect to potential transactions in private and public markets.

Most Common Exit Scenarios

Investment is sold for cash or liquidated

- Unless an exception applies, distributions will be made on a quarterly basis, such that you would typically receive proceeds within 45 days of the end of the quarter, reflecting all the distributions from the quarter.
- Syndication exits are distributed pursuant to the same schedule outlined above.
- Any escrow distributions follow the same guidelines as above
- Exceptions may be made when appropriate, such as when qualified small business stock ([QSBS](#)) is sold or for other reasons identified by AV.

Investment is sold for securities or liquidated

- We collect the securities and monitor the investment.
- These new securities are treated like an original investment in terms of exit strategy.

Selling into a later round of financing or a secondary market

- The Sponsoring Investment Team writes a memo making the case for a sale.
- The AV Routine Exit Team discusses and makes a decision or may invoke the SSEC.

Initial Public Offering (IPO)

- 1-2 months before an IPO, the Sponsoring Investment Team makes the case for exiting into the IPO (if available).
- AV's default policy is to sell in an orderly fashion and to distribute proceeds to investors according to our published schedule with exceptions as they occur.
- When any stock is held post lockup, a timeline and key catalysts for selling triggers are identified.



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Important Disclosure Information

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

AV offers smart, simple venture investing to accredited investors. Specifically, AV provides a path for individuals to own an actively managed diversified venture portfolio with a single investment co-investing alongside experienced VC firms. Traditionally, with limited investment capital and contacts, individual investors have had limited access to desirable deals alongside experienced VC firms, and even if they could access one or more such deals, it would take an inordinate amount of time, money and negotiation to build a diversified portfolio. With AV Funds, investors can choose from a number of funds to make a single investment to gain exposure to a diversified portfolio of investments selected by an experienced manager. AV Funds' simple fee mechanism permits investors to avoid constant capital calls throughout the life of the fund as found in other private investment vehicles.

F01-X0010-221024.01