



# AVG Policies for Potential Exits

AVG'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.
- AVG acts consistently across all of its investment funds.
- AVG values transparency, communicating with its investors, and distributing capital as expeditiously as possible.
- When judgment is required to exit an investment, we turn to AVG's Investment Committee for a decision. The AVG IC is made up of senior investment professionals who have extensive experience and have been trained in AVG's scoring system.
- We believe every exit event is an opportunity to learn and reflect. Sponsoring Investment Teams typically prepare an exit memo summarizing key facts and learnings from each investment.

## MOST COMMON EXIT SCENARIOS

### Investment is sold for cash or liquidated

- If cash exceeds 5% of the Sponsoring Fund's assets under management, it is distributed immediately to all investors. If less than 5%, it is held in an interest-bearing account for semi-annual distribution.
- Syndication exits are distributed immediately.
- Any escrow distributions follow the same guidelines as above.

### 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 AVG Investment Committee discusses and votes.

### Initial Public Offering (IPO)

- 1-2 months before an IPO, the Sponsoring Investment Team makes the case for exiting into the IPO (if available).
- AVG's default policy is to sell in an orderly fashion and to distribute proceeds to investors.
- In the unlikely event any stock is held post lockup, the AVG Investment Committee will define a clear timeline to review and identify key catalysts which would trigger sale at a future date.



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