

The background of the image shows two hikers in silhouette against a blue-tinted sky. One hiker is on a higher peak, reaching down towards the other hiker who is on a lower peak. A bright sunburst effect emanates from behind the higher hiker, creating a lens flare. The overall scene is one of achievement and teamwork.

ACCESSING GROWTH EQUITY

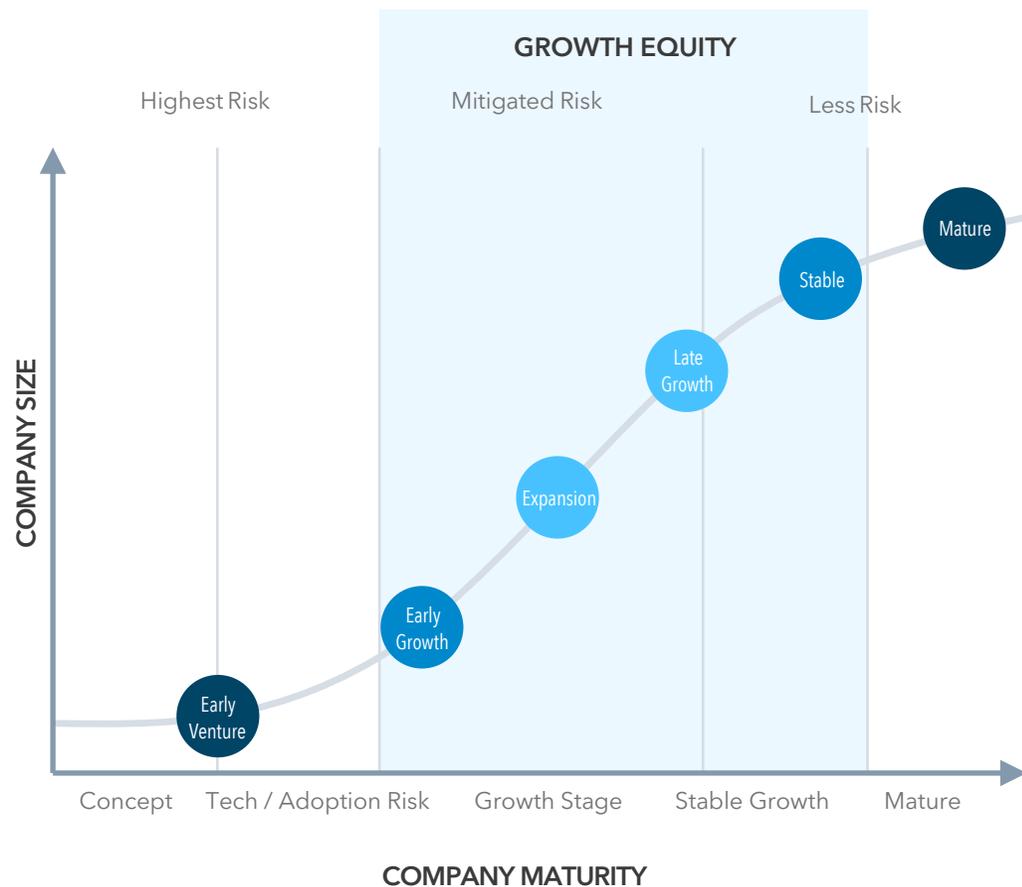
A STRATEGIC GUIDE

THE  FUNDS

Topics

- Private Equity: A Wide Spectrum of Opportunity
- Significance of Growth Equity in Portfolio Allocation
- Challenges and Pitfalls
- Solutions
- Frequently Asked Questions





Growth Equity: A Wide Spectrum of Opportunity

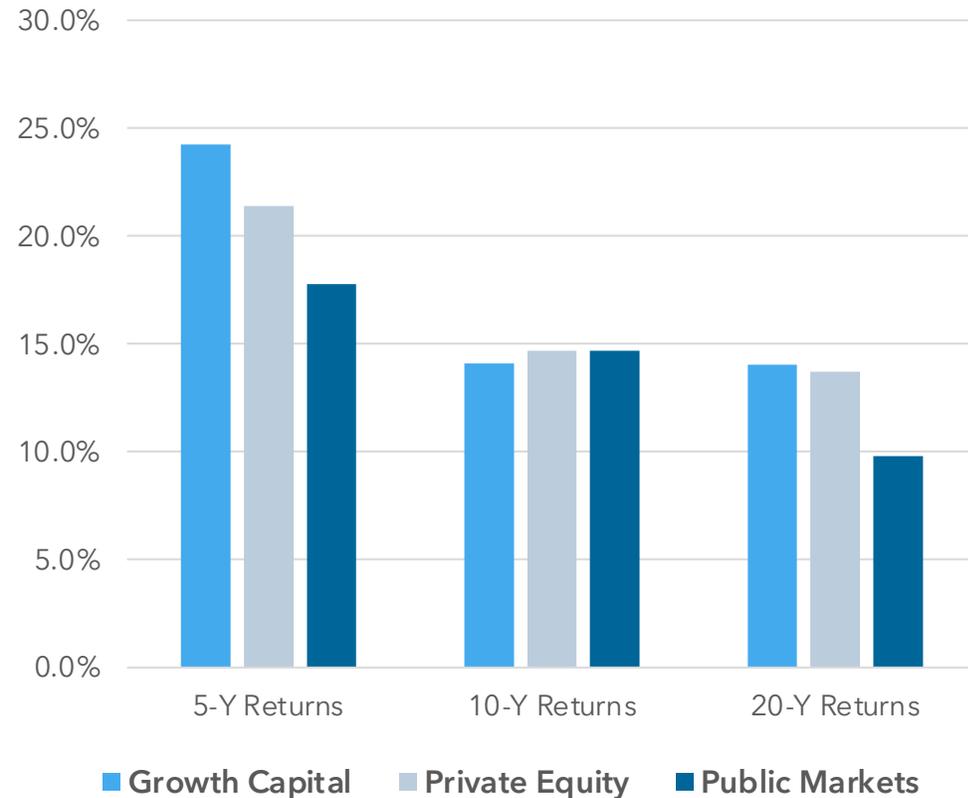
Investments in private companies able to **grow rapidly, and needing equity**, not debt, to fund their growth.

Favorable risk/reward characteristics - tech and **market fit largely proven**, compared to early venture.

Later-stage growth companies have high IRRs and **shorter time periods to liquidity**: 1 - 4 years vs. 4 - 7+ for early venture.

Growth-Equity: Higher Returns, Lower Volatility

- US PE has outperformed public equities for the past 5, 15, and 25 years (Cambridge Associates and S&P)
- Growth capital and venture returns have consistently surpassed buyouts since 2006 (McKinsey & Co. Global Private Markets Review 2021)
- Private market investments has been shown to reduce portfolio volatility



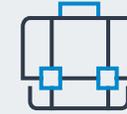
Challenges in Growth-Equity Investing

Many investors would like to participate in growth equity but face a variety of obstacles.



Difficult to Access

The most interesting PE deals are usually found through long-standing relationships.



Lack of In-House Expertise

Not staffed to effectively evaluate opportunities and manage PE portfolio.



Lack of Diversification

RIA platforms only include funds over \$1 billion, missing most growth-equity funds.



Adverse Selection

RIAs often see deals after more experienced investors have already passed.



Pitfalls in DIY Growth-Equity Investing

- No master plan/strategy
- Lack of diversification - need for many investments or invest in funds-of-funds
- Too much emphasis on “easier to get into” seed stage rounds
- Feeling obligated to invest in local friends and family ideas
- Hard to evaluate VC opportunities

Tips for DIY Growth-Equity Investing

- Focus on sectors with mega-trend tailwinds
- Diversify and invest in funds that can be good partners (expertise and access)
- Participate in syndicates with at least one professional investing organization with more money at risk and demonstrated expertise in the field





Alternative DIY Solution:

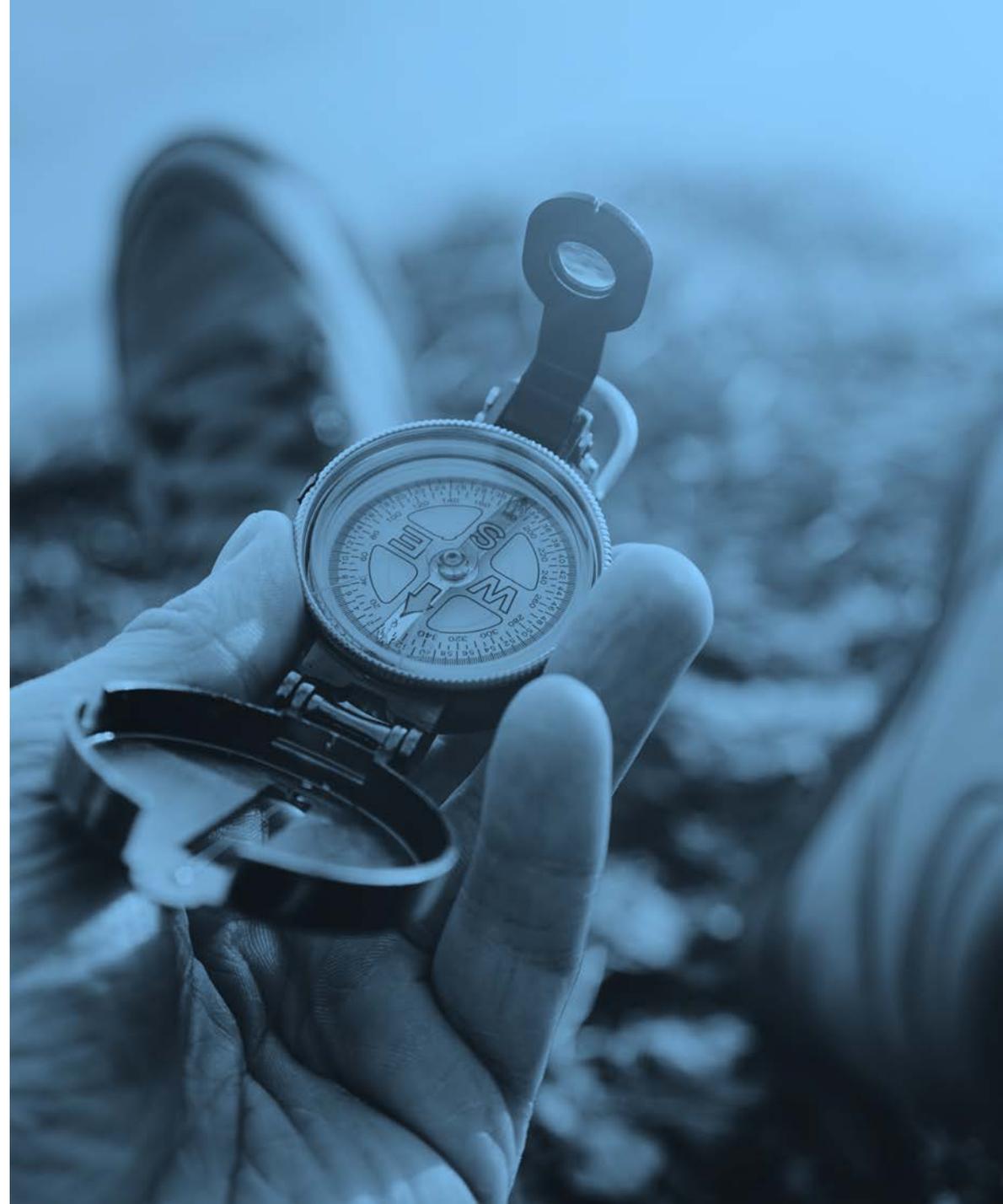
Funds of Funds

- Take the standard products – no flexibility/extra fees
- Build your own with an external advisor – negotiable fees
- Build your own – hire a PE/VC multi-stage portfolio investor who can also respond to co-investment opportunities

Alternative DIY Solution:

Auction Funds

- Evergreen structure
- Very low investment minimums
- Some limited liquidity, but do not count on it
- Exited opportunities recycled into the fund
- No capital calls
- Not a pure growth-equity play



Which Strategy is Right for You?

Which growth-equity investing strategy is right for you depends on your human resources and expertise. The K Funds offers the ideal approach: a professionally managed fund that gives you access to exclusive growth-equity deals, without the need to build and manage an internal team.

Strategy / Number of Team Members Required	0	1	2-3	4-10+
Third-Party Fund of Funds	●	●	●	○
Platform Approved Individual Funds	●	●	◐	○
Internally Curated Fund of Funds	○	◐	◐	◐
Internal Hybrid Fund, Co-Invests and Directs	○	○	●	●
Internally Managed Fund with Outside Investors	○	○	◐	●

○ Not suited ◐ Partially suited ● Well suited

The K Funds: A Growth-Equity Investing Partnership

Built to give RIAs and family offices access to a proven, comprehensive growth-equity investing ecosystem.

Connectivity Ecosystem

An ecosystem of investors and entrepreneurs, for idea sharing and expertise

Focus on Growth

Investments in US-based, mid- to later-stage pre-IPO growth companies

Co-Investment Opportunities

Optional opportunities for LPs to invest in companies alongside the fund

Want to learn more? Reach out to us schedule a consultation.



Contact

Simone Sobel

Director of Investor Relations and
Communications

917.331.8748

Email: ssobel@thekfund.com

LEGAL NOTICES

This document is furnished on a confidential basis for the purpose of providing certain information regarding The K Fund III, LP and its affiliated programs and is to be used only by the person to whom it has been delivered solely for this purpose. It may not be reproduced, transmitted or used for any other purpose in whole or in part without the prior written consent of K Fund Capital Management LLC, the General Partner of The K Fund III, LP.

This document does not constitute an offer to sell or the solicitation of an offer to buy securities.

Certain information contained in this document may constitute “forward-looking statements.” Due to various risks and uncertainties, actual events or results may differ materially from those reflected in such forward-looking statements. Any forward-looking statements contained in this report should be considered with these risks and uncertainties in mind. Accordingly, undue reliance should not be placed on such forward-looking statements. Certain information contained herein has been obtained from published sources or prepared by persons other than The K Fund III, including managers of other private equity funds providing information relating to security ownership positions held by or in common with The K Fund III.

While the general partner believes such information is reliable for the purposes used herein, The K Fund III and its representatives do not assume any responsibility for the accuracy of such information. Past performance is not necessarily indicative of future results, and there can be no assurance that the fund will be able to complete its investment strategy or achieve its investment objectives.