

June 18, 2025

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**VCAFX** WEEKLY **BY CONNETIC**  
VENTURE NEWS FOR EVERYONE

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Hello All,

Welcome back subscribers & welcome for any newcomers! This is OUR newsletter where we talk venture capital, Connetic Ventures, data and other stuff!

We are a people-oriented firm (with tons of data behind the curtain), so we love to start with a personal note.

I have hosted over 75 golf outings (17 scheduled this year) for financial advisors (RIAs) in my career in the field of investments (I have been licensed for 38 years). **WHY you ask?** I believe God gave me a tremendous gift of connecting people and reaching out to financial advisors in a particular city and announcing that I am hosting a “Networking Event @ a golf course” just works!

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**In today's update:**

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- **Stuff That's Funny AF**



**By: Mark Josefczyk,**

VP Investor Relations

## **The Accredited Investor Standard: Time for a Modern Update**

### **Approximately 82% of Investors Are Excluded—Is It Still Serving Its Purpose?¹**

According to SEC Rule 501 of Regulation D, only a small portion of the population qualifies as “Accredited Investors.” This generally includes individuals who meet certain income or net worth thresholds, or who hold specific professional licenses. Notably, this status is not granted based on financial education or experience—even if an individual works with a licensed fiduciary financial advisor.

This article offers a perspective on why some believe the current rule may benefit from reconsideration. The goal is to invite informed dialogue, not to provide financial advice or recommend any specific investment strategy.

### **1. Wealth as a Proxy for Sophistication**

The accredited investor definition largely assumes that higher wealth implies greater financial sophistication. However, financial knowledge is not always correlated with income or net worth.

- Some individuals with modest incomes may have strong financial literacy and understand investment risk.
- Conversely, some high-net-worth individuals may not be well-versed in the complexities of private markets.

### **2. Implications for Economic Mobility**

The rule unintentionally limits access to private investments, such as venture capital, private equity, or real estate offerings under Regulation D, to those who already meet the wealth or income criteria.

- For individuals without prior access to wealth-building opportunities, this may represent a missed opportunity for diversification, though it's important to note that these investments carry substantial risk and are not appropriate for all investors.

### **3. Educational and Professional Credentials Are Overlooked**

Currently, the rule recognizes certain securities licenses (e.g., Series 7, 65, or 82) as indicators of sophistication. However, many individuals with advanced education in finance or economics (such as MBAs) do not qualify unless they also meet the financial thresholds or hold these licenses.

- This approach may not fully account for diverse paths to financial expertise.

### **4. Impact on the Middle and Upper-Middle Class**

Private offerings are often available only to accredited investors. While these investments can offer non-correlated return potential compared to public markets, they also involve higher risk, illiquidity, and lack of transparency.

- Restricting access based solely on wealth means that many individuals are unable to decide, alongside a trusted financial professional, whether such risk-return tradeoffs align with their goals.

## 5. Financial Advisors Cannot Override the Rule

Even when working with a registered investment adviser or licensed fiduciary, investors who do not meet the accredited definition remain ineligible to participate in most private placements.

- This underscores that professional guidance does not grant access under current regulations.

Put simply this rule is “discriminatory” because it is using the WRONG criteria & measurements (wealth vs knowledge – sophistication – affiliation with a financial advisor) in my opinion!

1 Source: Dorsey & Whitney LLP, *SEC Reviewing Definition of “Accredited Investor”*, December 2023. [Link](#)

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## Data - Interval Fund Tracker

<https://intervalfundtracker.com/data/active-interval-funds>

The Interval Fund Tracker's "Active Interval Funds" page provides a comprehensive, regularly updated database of all interval funds that have been declared effective by the SEC. It includes details such as fund categories, net assets, and ticker symbols, offering users the ability to sort and download the data for analysis.

You might recognize one of the top 100 funds, listed as #94, and climbing! 

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## CONNETIC CORNER

### **June Event Travel Recap: Expanding Reach, Building Relationships**

As part of our ongoing effort to remain deeply embedded in regional innovation ecosystems and foster strong deal flow, the Connetic team was on the road throughout the month —engaging with founders, fellow investors, and thought leaders across multiple geographies. Below is a snapshot of where we've been and what we've been focused on:

- **Charlotte, NC — Fintech Generations & Insurtech (June 11–12)**

Earlier this month, JD attended one of the Southeast's premier gatherings of industry leaders, technologists, and investors.

During a featured session titled "*Fueling Innovation: Smart Capital for Fintech & Insurtech*," JD shared practical insights drawn from both sides of the table: what venture investors prioritize in today's environment, and how founders across our network are adapting to succeed—building with intentionality, navigating capital complexity, and leveraging partnerships to accelerate growth.

The event was a valuable forum to connect with founders building in highly regulated verticals, and to strengthen relationships with strategic co-investors focused on embedded finance, insurtech, and infrastructure innovation.

- **French Lick, IN — Great Lakes Venture Summit (June 25–26)**

We're looking forward to closing out our Q2 event schedule at the Great Lakes Venture Summit in French Lick, IN. Representing Connetic at the event will be Brad, who will join fellow investors, accelerators, and founders from across the Midwest and Great Lakes regions.

This summit offers a highly collaborative setting to discuss regional innovation, emerging fund strategies, and the evolving role of early-stage capital in underserved markets. Brad will be connecting with peers and partners aligned with our mission of expanding access to venture capital—particularly in markets often overlooked by traditional funding channels.

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### **Super Interesting Reads**

[ChatGPT vs financial advisors: Which is best for financial advice? | Fortune](#)

While ChatGPT can serve as a useful tool for obtaining general financial information, it is not a substitute for professional financial advice. Human financial advisors offer personalized, empathetic, and comprehensive services that AI cannot replicate. For individuals seeking tailored financial planning, consulting with a licensed financial advisor (RIA) remains the best approach.

[Robo-Advisors vs. Human Advisors: Who's Better at What?](#)

The article suggests that the future of wealth management may involve a division where robo-advisors focus on cost-effective, automated investment

management, while human advisors concentrate on personalized financial planning and emotional support. Additionally, hybrid models are emerging, combining the efficiency of robo-advisors with the personalized touch of human advisors, offering clients the best of both worlds.

In conclusion, the choice between a robo-advisor and a human advisor depends on individual needs and preferences. Investors seeking low-cost, automated investment management may find robo-advisors suitable, while those requiring personalized guidance and emotional support may prefer human advisors. Hybrid models offer a balanced approach, catering to a broader range of client needs.

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### **Stuff That's Funny AF**

December 2022 – A group of golfers in Alabama went viral for posting a sketchy score of 46 at an 18-hole Charity Golf Outing @ Robert Trent Jones Golf Trail Course (26 strokes below par – Hole-in-one | Double Eagle | 4 Eagles | 12 birdes). Let's just say the crowd at the 19<sup>th</sup> hole reception were just a little bit peeved with many in disbelief that their 46 was legit – you heard “bull – sh\$t” by many in the room! NOTE: guys in this 4some had to shutdown their social media due to fallback.



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