



VCAFX Q4 2025 Commentary

Connetic Venture Capital Access Fund Quarterly Update

as of December 31, 2025

Ticker: VCAFX | CUSIP: 208191106

Performance Snapshot (as of 12/31/2025) *

Time Period	Connetic Venture Capital Access Fund	S&P 500 Index
Month to Date	1.47 %	-0.03 %
Quarter to Date	-0.86 %	2.43 %
Year to Date	3.19 %	17.35 %
1 Year	3.19 %	17.35 %
3 Year		
Since Inception	2.73 %	19.90 %

**Returns quoted are net of fees. The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Returns assume reinvestment of dividends and capital gains. Some of the Fund's fees were waived or expenses reimbursed; otherwise, returns would have been lower. The Fund's total expenses for the fiscal year are estimated to be 3.76% and include, but are not limited to, all initial and ongoing Fund offering expenses, valuation, custody, transfer agency and administration, accounting, legal, and auditing fees of the Fund. The Adviser has contractually agreed to waive fees and/or reimburse expenses such that total expenses do not exceed 2.65%. The contractual expense limitation will remain in effect until July 31, 2026. Net expenses are applicable to investors. For the most recent month-end performance, please see our Fact Card available at [Fund Website](#).*

Manager Commentary

The fourth quarter of 2025 closed with a clearer tone across private markets: **risk capital is returning, but it's being allocated more selectively**. Headline venture activity improved, yet much of the year's "rebound" was still driven by a relatively small number of very large financings—meaning aggregate funding can look strong even while many founders experience slower fundraising cycles, tougher investor standards, and greater focus on business fundamentals.

Q4 2025 saw roughly \$91.6B deployed across 4,482 venture deals in the United States thanks to data collected by the [Pitchbook-NVCA Venture Monitor](#). At the earlier stages of company building, funding improved globally, [Crunchbase estimates early-stage funding reached \\$37B in Q4 2025](#)—but the experience remained uneven across sectors, geographies, and levels of traction. Practically, we continued to see investors prioritize companies that can demonstrate: (i) *real customer demand*, (ii) *efficient growth*, and (iii) *disciplined use of capital*—often leading to more "milestone-based" funding and more structured rounds than in prior cycles.

One reason the headline numbers look stronger is that **AI has become the dominant driver of venture dollars**. AI/ML represented roughly **two-thirds of U.S. VC deal value in 2025**, which helped lift overall totals even as conditions outside the most crowded themes remained more demanding.



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The macro environment became more supportive. In December 2025, the Federal Reserve cut the federal funds target range by 25 basis points to **3.50%–3.75%**, reinforcing expectations for easier financial conditions into 2026. Lower rates can improve investor willingness to fund longer-duration growth assets, but underwriting standards have not reverted to the “easy money” era.

Importantly, **liquidity options have broadened**. Alongside improved IPO activity, “secondaries” (sales of private-company shares from existing holders, rather than new funding into the company) have become a mainstream tool to manage long holding periods, with multiple sources projecting **2025 secondary volume exceeding \$210B**.

Against this backdrop, Connetic Ventures believes **opportunity is often best where attention is lower**. We don't just view this dispersion as a trend; we view it as *our primary advantage*. In Q4 we continued leaning into **early-stage companies and non-coastal nodes**, including new investments across markets like **Fargo, Louisville, Chicago, and Denver**, alongside selective follow-ons in companies demonstrating traction.

We believe many of these are the kinds of opportunities the broader market will “*discover*” several quarters from now. Particularly for opportunities at the early stage and in non-coastal ecosystems where company formation is strong, but capital density is thinner, we intend to have already secured our positions at *structurally better entry points* and *recognize increasing value for our holdings*.

We believe the Connetic Venture Capital Access Fund is well-positioned for this environment because we pair:

- a **tech- and data-driven sourcing and diligence system (Wendal®)** to consistently surface high-quality opportunities beyond the loudest markets, and
- an **interval fund structure** designed to support a more continuous, multi-vintage approach to early-stage investing—helping us stay engaged through multi-year opportunity windows rather than relying on perfect timing.

Taken together, we aim to capture the parts of venture that are compounding quietly: **early-stage, geographically distributed founders building durable companies, often before the broader market is paying attention**.

Portfolio Management Opportunity with VCAFX

Since its inception in October 2024, the Connetic Venture Capital Access Fund (VCAFX) has delivered positive net returns. ***Simulating a \$50,000 investment made on inception, we can see a potential***



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growth to \$51,700 as of December 31, 2025. This performance underscores the value of incorporating early-stage private market exposure into diversified portfolios.

For advisors, VCAFX represents a low-friction, interval fund solution that offers clients exposure to the historically strong return potential of venture capital—without the illiquidity, high minimums, or administrative complexity of traditional private funds.

In an environment where both stocks and bonds are under pressure, we see advisors seeking new tools that may reduce portfolio correlation (*how closely different investments tend to move in the same direction*), smooth volatility, and access differentiated sources of growth. VCAFX seeks to provide just that.

For clients, this means a thoughtful way to participate in the innovation economy without needing to navigate the intricacies of private markets directly. Whether used as a strategic satellite allocation or a long-term growth sleeve, VCAFX is built to complement traditional portfolio construction and help clients stay invested with confidence.

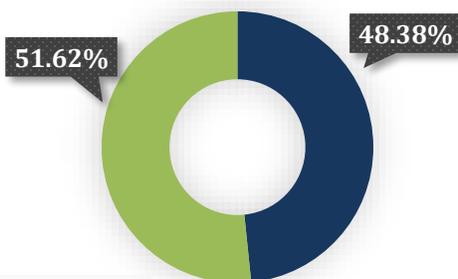


This chart illustrates the performance of a hypothetical \$50,000 investment made in the Fund Class I Shares since its inception on 10/02/2024. It assumes reinvestment of dividends and capital gains. This chart does not imply any future performance.

Top 10 Holdings* and Fund Allocation (as of 12/31/2025)

 <p>Cary Health CaryHealth improves patient outcomes with innovative pharmaceutical solutions</p>	 <p>Bizzy Cold Brew Bizzy manufactures top quality cold brew coffee products</p>	 <p>FirstIgnite FirstIgnite develops AI-powered business development tools for Scientific Organizations</p>	 <p>Letterhead Letterhead makes it easy to create, send, and monetize great newsletters at scale, automatically</p>	 <p>Passage Online ticketing, mobile box-office and POS solution</p>
 <p>Base Base is an IRL social network bringing great minds together.</p>	 <p>Venture360 Delivering technology and services to power the Venture Capital Industry.</p>	 <p>Outlier The first sports betting super app</p>	 <p>MASV MASV is large file transfer, simplified</p>	 <p>Ottonomy Level 4 autonomous delivery robots</p>

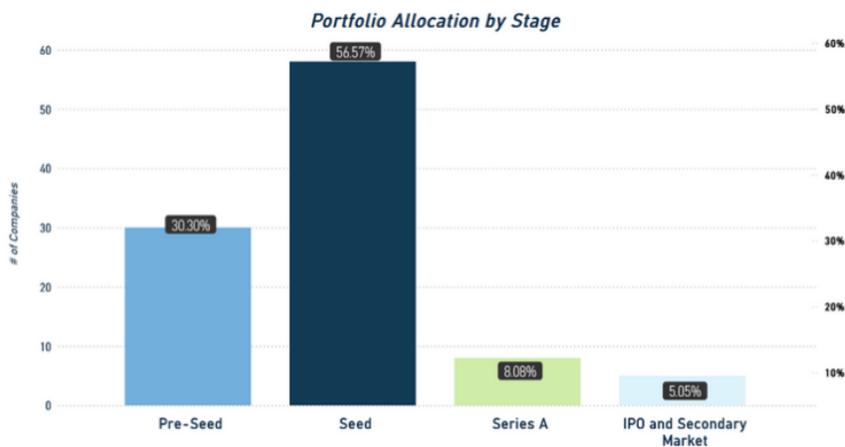
Fund Holdings Value Allocation



■ Top 10 Holdings
■ All Other Holdings

Stage

We Invest at the Value-Driven Stages of Venture Capital



For illustrative purposes only. This chart does not represent the valuation of any actual investment. It should not be considered investment advice or a forecast or guarantee of future results.

Fund Portfolio Activity as of December 31, 2025

New Investments



Company: [Pavewise](#) 

Location: **Fargo, ND**

Deal Lead: [Chris Hjelm](#)

Invested: **October 14, 2025**

Description: Pavewise is

working towards transforming how the horizontal construction industry manages projects, weather risks, and compliance by combining real-time data tracking, predictive analytics, and AI-driven automation. Pavewise represents our first investment in the state of North Dakota.

We found Pavewise through a referral from [M25](#), a Chicago based VC firm in our network.



Company: **Stealth Startup**

Location: **Chicago, IL**

Deal Lead: [Chris Hjelm](#)

Invested: **October 10, 2025**

Description: We look forward to

sharing more about this company leveraging AI in Supply Chain logistics. The founders have deep expertise in the industry and a very strong technical team with support from founders of top-leading supply chain companies.

We found this startup through a referral from [Hyde Park Angels](#), a Chicago based VC firm in our network.



Company: [Forecastr](#) 

Location: **Louisville, KY**

Deal Lead: [JD Audena](#)

Invested: **November 20, 2025**

Description: Forecastr is an out-of-the-box finance function for businesses. Forecastr helps its customers make better decisions, hit growth targets, and raise capital by enabling forecasting with confidence.

We have been following Forecastr since 2023, we are pleased to support this Kentucky based startup.



Company: [GuideAI](#) 

Location: **Los Angeles, CA**

Deal Lead: [JD Audena](#)

Invested: **December 11, 2025**

Description: GuideAI claims to

be the first AI onboarding/training product that walks users through complex workflows with step-by-step guidance.

GuideAI won a Connetic Sponsored Pitch Competition at [Venture135](#) and is a graduate of the [RevTech Labs Accelerator](#).



Company: [Nok](#) 

Location: **Denver, CO**

Deal Lead: [Brad Zapp](#)

Invested: **December 18, 2025**

Description: We look forward to

sharing more about this company leveraging AI in Supply Chain logistics.

We found Nok through a referral from our friends [eGateway Capital](#), a Northern Kentucky based VC.

Follow-On Investments



Company: [Fireroad](#) 

Location: **Covington, KY**

Deal Lead: [Brad Zapp](#)

Invested: **October 03, 2025**

Round Details: We continue to

support Fireroad as it is proving a differentiated multi-engine platform—HoldCo acquisitions of AI-resistant cash-flowing SMBs, a growing early-stage Ventures fund, and an AI-enabled Foundry—that creates multiple paths to venture-scale returns.

Initial Investment: August 29, 2023



Company: [Base](#) 

Location: **Miami, FL**

Deal Lead: [Brad Zapp](#)

Invested: **October 09, 2025**

Round Details: We continue to

support Base as it grows its network and user base to help the professional class cultivate meaningful friendships and expand their network. Their membership and revenue growth has consistently demonstrated the opportunity this company.

Initial Investment: February 16, 2024



Company: [Campus Ink](#) 

Location: **Urbana, IL**

Deal Lead: [Chris Hjelm](#)

Invested: **October 30, 2025**

Round Details: We participated in growth financing round led by [RiverPark Ventures](#). Campus Ink has delivered 100% annual growth, expanding their digital store footprints and university contracts to more than 150.

Initial Investment: August 31, 2022



Company: [Omnee](#) 

Location: **Saskatchewan, CN**

Deal Lead: [Chris Hjelm](#)

Invested: **October 31, 2025**

Round Details: We participated in a

seed financing round led by [Mucker Capital](#). Omnee is using the funds to service two largest home builders in Canada and scale into the US market.

Initial Investment: March 26, 2024



Company: [Snoots](#) 

Location: **Islington, England**

Deal Lead: [Chris Hjelm](#)

Invested: **November 12, 2025**

Round Details: We participated in a

growth round led by [Vinyl Capital](#). Snoots is using this funding to launch their first US-based vet clinic, building on the success and brand they have achieved through their 6 UK-based clinics.

Initial Investment: March 23, 2023

Valuation Movements

Total Positions:

164

Revalued Positions:

44

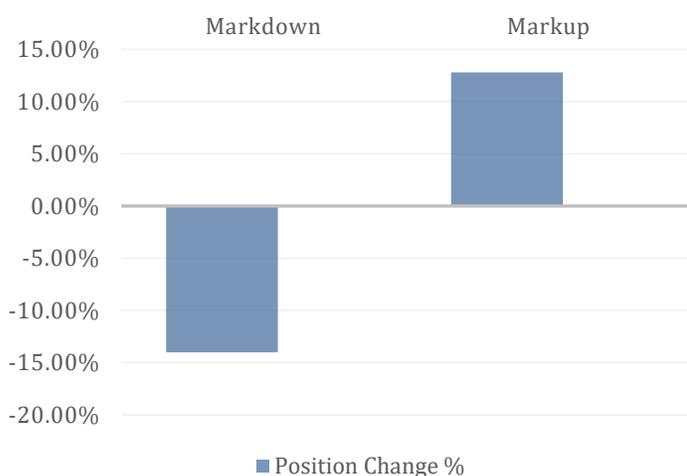
Total Fund Value:

\$44,471,692

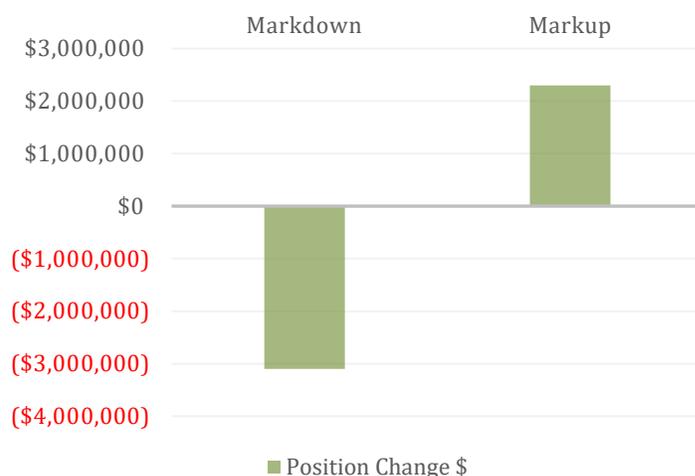
Net Valuation Change:

(\$813,919)

Q4 '25 Percent Revalued Positions



Q4 '25 Total Position Change Dollar Value



Portfolio Progression

Venture capital returns often follow a [“J-curve” trajectory](#)¹, early valuations typically decline as startups absorb capital and refine their models before rising as companies scale, attract follow-on investment, and approach liquidity events. VCAFX shows a similar opportunity to develop in line with that pattern, reflecting both the maturity of earlier vintages and the natural ramp-up of recent investments.

Our **2019–2021 vintages** are now entering their value-creation phase, demonstrating significant appreciation as several companies achieve growth milestones or approach external funding rounds. The 2019 vintage, now six years seasoned, continues to anchor portfolio performance with multiple holdings generating substantial valuation uplift.

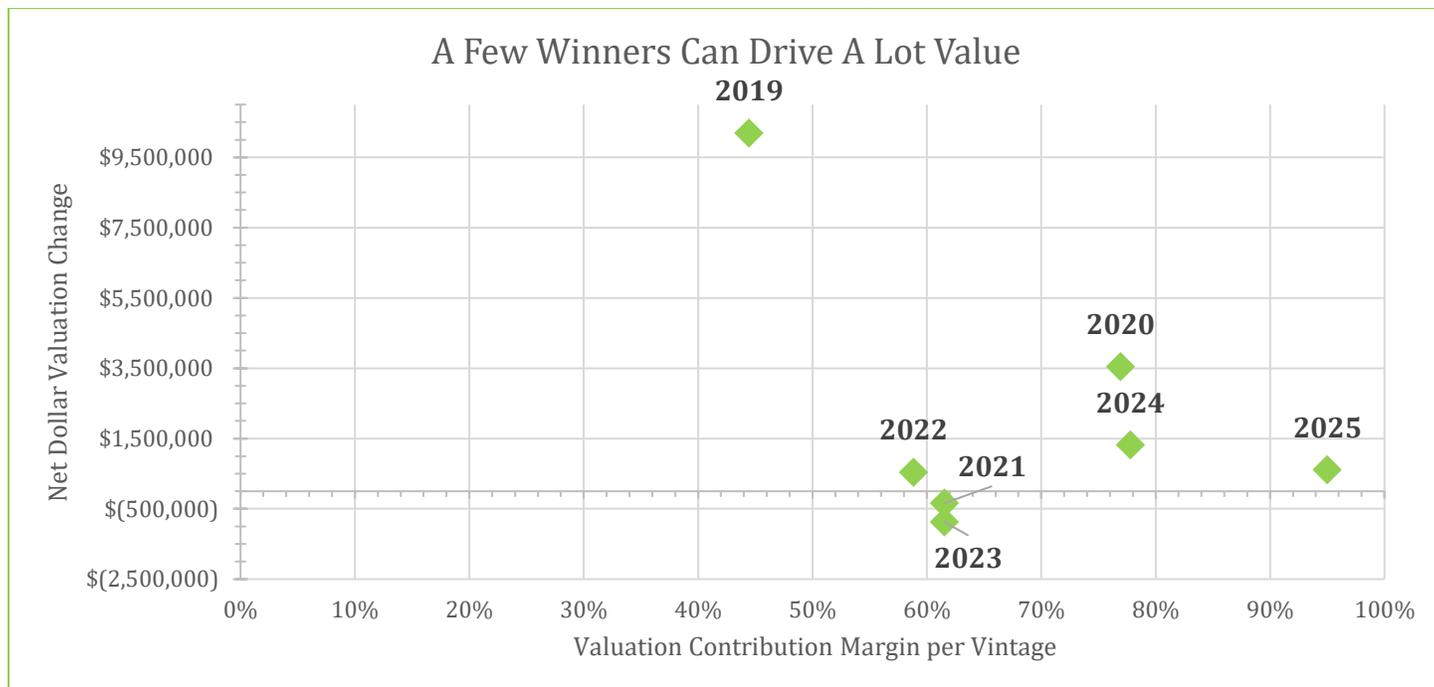
Meanwhile, **2022–2024 vintages** remain in the formative stage of the curve characterized by modest near-term adjustments but building operational traction across the majority of positions. These younger cohorts are benefiting from leaner cost structures and a capital-efficient market environment that rewards durable business models over growth at any cost strategies.

¹The J-curve concept is commonly illustrated using metrics such as [Internal Rate of Return \(IRR\)](#), which measures the annualized return based on fund cash inflows and outflows; [Multiple on Invested Capital \(MOIC\)](#), measures how many times your invested money you’ve gotten back, based on value, not time; and [cash flow](#), which tracks the movement of money into and out of a fund over time.

The **2025 vintage**, composed of newest deployments, shows expected early-stage *mark-to-model adjustments*, valuation updates based on internal financial models and market assumptions— as companies begin execution cycles. This pattern is consistent with industry norms and reinforces the long-term compounding nature of early-stage investing.



This dispersion highlights a defining principle of venture investing: a **small number of winners often drive the majority of value**. As portfolio companies mature, we expect increasing differentiation between those compounding through growth and those winding down.





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We believe VCAFX’s vintage development aligns with the traditional venture growth curve, early volatility giving way to accelerating value creation as companies scale. This progression, supported by diversified exposure across multiple years of investment, positions the Fund to capture upside from emerging winners while maintaining resilience through ongoing market normalization.

M&A Activity

[Healthy Roster](#) and [Sway Medical](#) have combined under the backing of growth equity firm [Level Equity](#), with Healthy Roster acquiring Sway Medical. The Fund exited its position as part of the transaction, capturing value while aligning with its investment return objectives. You can read more about the transaction here: [Healthy Roster acquires Sway Medical](#)

Distribution Activity

Fund Flows

During the fourth quarter of 2025, **VCAFX recorded net positive flows of approximately \$129,000.** Quarterly flow activity remained balanced, suggesting stable investor confidence and growing awareness of VCAFX’s differentiated position as a regulated, diversified vehicle providing access to early-stage private markets. As broader interest in interval funds expands among RIAs and advisory platforms, we expect engagement and allocations to continue building into 2026.

Custodial Platform Access and RIA Distribution

As of December 31, 2025, the Fund is actively available for trading and custody on the following platforms:

[Axos Advisor
Services](#)

[SEI Trust
Company](#)

[Matrix Trust
Company](#)

[Inspira
Financial](#)

[Fidelity/National
Financial Services](#)

Expanding platform access remains a key part of our broader distribution strategy to increase the Fund’s reach among wealth managers, RIAs, and advisory platforms nationwide.

Investment Pipeline

In Q4 2025, through our proprietary platform, Wendal®, we received applications from **711** companies across **31 U.S. states + D.C.** The location with the **most submissions** is **California**. The following states did not have any **(0) submissions** this quarter: Northeast US States: **ME, NH, RI, VT**, Midwest US States: **NE, SD, ND, MN, MO** South US States: **AR, LA, MS, OK, WV**, West US States: **AK, HI, ID, MT**.

In addition, we reviewed several additional opportunities through referrals and direct sourcing efforts, spanning both new investments and follow-on opportunities within our existing portfolio. We are always looking to engage with founders and startups. Please direct any you know to our [Investment Process](#).

Business Travel and Market Engagement

Q4 2025 Travel Highlights

In the fourth quarter of 2025, members of the team actively engaged with key stakeholders across the venture, asset management, and RIA communities:



- Brad traveled to Florida: Orlando meetings included our third-party auditor [Crowe LLP](#) and fellow venture investors and BDC firm [Capital Q Ventures](#). In Fort Lauderdale Brad met with current and potential new Fund Investors.
- Brad also traveled to New York City to attend the Coolwater Investor Summit hosted by [Coolwater Capital](#) a VC fund-of-funds and early-stage venture co-investors. While in the area, he also visited with some fund investors based in New York and Connecticut.
- Chris remained active in the venture ecosystem, representing the fund at [StartupCincy Week](#) co-hosting a panel about how Connetic Ventures uses data to evaluate founders, teams and startups.
- Chris also traveled to Minnesota over the holidays where he met with a portfolio founder based in MN and a local VC fund.
- JD remained active in the venture ecosystem, representing the fund at [StartupCincy Week](#) hosted by [Cintrifuse](#).
- JD represented the firm at [Venture135](#), hosted by [RevTech Labs Capital](#) one of the largest fintech & Insurtech deal flow conferences in the southeast. Connetic Ventures sponsored a pitch competition, and JD watched 44 founders pitch live in one day.
- JD represented the firm at [MidxMidwest](#) hosted by [Flyover Capital](#), [Iron Prairie Ventures](#), and the [KC Tech Council](#), connecting with founders and investors from across the country to highlight Midwest based investment opportunities

If you're a financial advisor who enjoys connecting over golf, check out MJ's [Golf Outing Guy Events](#) – a great way to network, unwind, and stay plugged into the wealth management community.

Upcoming Travel (Q1 2026)

- Brad will be traveling to meet & host advisors in **Grand Rapids, MI & South East Florida** for a luncheon.
- Chris is heading to [Utah Tech Week](#) for a Connetic sponsored Pitch Competition.
- Chris and JD are planning to attend [SXSW](#) to engage with founders, investors, and enthusiasts about Connetic Ventures and Wendal.

Call for Recommendations

We welcome any recommendations for potential connections, upcoming events, or local experiences in the cities listed above. Shared introductions, strategic referrals, and industry insights are always appreciated as we continue to expand our network across the venture, RIA, and asset management ecosystems.



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Closing Remarks

Even with public equities delivering strong results in 2025, private markets largely remained underwritten like a higher-rate world: investors prioritized balance-sheet health, clearer paths to profitability, and business models that can withstand slower funding cadences. Looking ahead, we expect the venture market to remain “two-speed:” strong demand for the most obvious winners, and continued friction everywhere else. For long-term investors, that dynamic can be a feature, not a bug, because it creates entry points where fundamentals matter more than momentum and where attention is less efficiently priced.

One of the most important (and often underappreciated) developments in venture is that **venture-scale companies are increasingly being built outside the coastal core**, even if funding totals by city can be volatile quarter-to-quarter.

- In the **Southeast/Sunbelt**, ecosystems continued to broaden in depth—more founders, more repeat operators, and more specialized investors—even as the quarter-to-quarter funding tape moved around. For example, Pitchbook reports **Miami–Fort Lauderdale recorded ~\$612.7M across 109 deals in Q4 2025**, highlighting meaningful deal flow even in a “selective” market.
- In the **Midwest**, the story was more mixed. Some regions continued to produce high-quality companies, while others saw softer funding totals; Chicago reporting suggested the region missed parts of the broader rebound as 2025 progressed.
- In “**emerging hubs**”, the constraint is often not talent—it’s financing density. An illustrative data point from close to home Ohio: despite representing **~3.5% of the U.S. population**, it reportedly received **~0.58% of national VC investment**, reinforcing why non-coastal ecosystems can produce attractive entry points when capital is scarce and founder quality is high.

This is exactly where we believe early-stage investors can earn an edge: **backing durable teams before the “attention trade” arrives** and doing so at valuations and structures that more accurately reflect fundamentals.

We are grateful for the continued trust of our shareholders, and for the founders and operators who invite us into their journey. We believe our tech- and data-driven process, paired with an interval fund structure built for multi-year opportunity windows—positions us to stay active through changing market conditions and to pursue opportunities others may miss, particularly at the early stage and outside the most capital-dense hubs. We look forward to reporting on our progress as these companies mature and as the venture ecosystem continues to normalize.



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Contact Us

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Disclosures

The Fund was organized as a Delaware statutory trust on September 11, 2023. The Fund acquired all the assets and liabilities of 908 Investments LLC (the "Predecessor Fund"), a private fund that merged into the Fund, in a tax-free reorganization on October 2, 2024 (the "Reorganization"). In connection with the Reorganization, interests in the Predecessor Fund were exchanged for Class I Shares of the Fund. The Predecessor Fund had an investment objective and strategies that were, in all material respects, similar to those of the Fund and were managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Fund. Connetic RIA LLC (the "Adviser" or "Connetic Ventures") managed the Predecessor Fund.

The Fund is a diversified, closed-end management investment company designed for long-term investors. The Fund is neither a liquid investment nor a trading vehicle. You should not invest in the Fund if you need a liquid investment. Closed-end funds differ from open-end management investment companies (commonly known as mutual funds) in that investors in a closed-end fund do not have the right to redeem their shares daily.

The Fund intends to primarily invest in securities of private, early-stage, venture-backed growth companies. There are significant potential risks relating to investing in such securities. Because most of the securities in which the Fund invests are not publicly traded, the Fund's investments will be valued by the Adviser pursuant to fair valuation procedures and methodologies adopted by the Board of Trustees, as set forth in the prospectus. As a consequence, the value of the securities, and therefore the Fund's Net Asset Value ("NAV"), may vary. There are significant potential risks associated with investing in private, venture capital investments with complex capitals structures. The Fund focuses on creating a large, diversified portfolio in an attempt to reduce risk compared to a smaller, concentrated portfolio. There is a greater focus in technology securities that could adversely affect the Fund's performance. The Fund's quarterly repurchase policy may require the Fund to liquidate portfolio holdings earlier than the Adviser would otherwise do so and may also result in an increase in the Fund's expense ratio. Portfolio holdings of private companies that become publicly traded likely will be subject to more volatile market fluctuations than when private, and the Fund may not be able to sell shares at favorable prices. Such companies frequently impose lock-ups that would prohibit the Fund from selling shares for a period after an initial public offering ("IPO"). Market prices of public securities held by the Fund may decline substantially before the Adviser is able to sell the securities. Certain conflicts of interest involving the Fund and its affiliates could impact the Fund's investment returns and limit the flexibility of its investment policies. This is not a complete enumeration of the Fund's risks.

Please read the Fund prospectus for other risk factors related to the Fund.

- Shares are not listed for trading on any securities exchange, and you should not expect to be able to sell Shares in a secondary market transaction. Even though the Fund makes quarterly repurchase offers for its outstanding Shares (expected to be 5% per quarter, which is the minimum amount permitted), investors should consider Shares of the Fund to be an illiquid investment.
- The Fund is designed for long-term investors. An investment in the Fund may not be suitable for you if you need the money you invest within a specified period.
- The amount of distributions the Fund may pay, if any, is uncertain. There is no assurance that the Fund will be able to maintain a certain level of distributions to shareholders.
- The Fund's investments may require several years to appreciate in value, and there is no assurance that such appreciation will occur.
- Investing in the Shares may be speculative and involve a high degree of risk, including the risks associated with venture capital investing and the potential loss of your entire investment. See "Risks" in the prospectus.

The Fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company. Please read it carefully before investing. A hard copy of the prospectus can be requested by calling 844-434-6493.

Connetic Ventures offers investment advisory services and is registered with the U.S. Securities and Exchange Commission ("SEC"). SEC registration does not constitute an endorsement of the advisory firm by the SEC nor does it indicate that the advisory firm has attained a particular level of skill or ability. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Form ADV Part 2A & 2B can be obtained by visiting: <https://adviserinfo.sec.gov> and search for our firm name. The material above has been provided for informational purposes only and is not intended as legal, tax or investment advice or a recommendation of any particular security or strategy. The investment strategy and themes discussed herein may be unsuitable for investors depending on their specific investment objectives and financial situation.

More about Wendal: Using technology like Wendal® may limit the pool of potential portfolio companies in that the analysis performed is only done on companies that apply. Incomplete, erroneous, limited data, coding and logic errors could lead to incomplete analyses or incorrect recommendations, affecting the Fund's decision-making process. There is a risk that the technologies might not perform as expected in different or changing market conditions. The Fund is distributed by Foreside Financial Services, LLC.