FUTURE UNION

The Rubicon Report

Full Report

The Institutional Investors & Funds financing the rise of technology innovation in China and other adversarial autocracies.

January 2024

Cover: The artwork is an artificial-intelligence generated image, created by Future Union's university interns on Dall-E2. The prompt entered was "finance," "capital markets," "democratic-capitalism," "democracy" and "emerging technology" and Dall-E2 generated the image, which was then edited in Adobe Photoshop. Source: openai.com/product/dall-e-2.

January 2024.

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FUTURE UNION

Future Union is a bipartisan organization designed to galvanize the private sector and forward-thinking leaders to address a new wave of emerging technology and security challenges facing the United States and its allies. Our goal is to fuse private sector innovation and democratic capitalism to ensure democracy perseveres in upcoming clashes between democracies and autocracies.

Future Union was founded on the belief that the next generation of technology and investing will dramatically shape a new geopolitical reordering. We are dedicated to furthering technology innovation and strengthening the United States private sector and allies to take on global foes. Our aim is to forge a private and public sector compact, improving policies and magnifying the impact of the private sector and capitalism in preparation for global conflicts ahead.

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Institutional Investors & Funds financing China and other adversarial states.

Andrew King, Executive Director

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FOREWORD

At Future Union, we are a forward-thinking, bipartisan team focused on securing the future of democracy against rising autocratic forces. Our journey began in 2021 with the aim of encouraging the private sector to play a more prominent role and bring transparency to often-opaque practices of private sector entities, whose economic decisions exert significant influence over foreign policy. We are focused on reinforcing confidence and restoring trust in our capital markets. The recent misuse of free and fair markets by adversaries of the U.S. has heightened the importance of the work needed to safeguard democratic capitalism.

Future Union is focused on improving techno-economic policy and encouraging changes in the less regulated, more permissive, gray areas of investing and throughout the broader private sector. We believe commercial relationships and capital market investments are among the greatest weapons democracy possesses in ensuring it prevails in the clash between principled ideologies. In this report, we highlight the importance of the capital markets, including key capital allocators (Institutional Investors) such as U.S. pension funds, university endowments, non-profit organizations and foundations. Our focus also includes emphasizing the critical nature of private equity and venture capital that fuels innovation, and reinforcing the importance of free market principles in the private markets.

The *Rubicon Report* initiative was designed with a single goal in mind: to catalyze and ensure that Institutional Investors, funds, and leaders champion f*ree and fair markets that uphold democratic values*. Given technology's essential place in a global civilization, there is a direct connection between the startup companies driving innovation and countries who will prevail in the reordering of the geopolitical landscape.

Anti-democratic forces pose an existential threat. These actors are promoting goals designed to destabilize and supplant the core values of global accountability and steadfast adherence to the rule of law, which serve as the very foundation for a thriving world order.

Future Union's research offers a baseline assessment of action and accountability for corporate leaders, shareholders, and citizens as we work to build a better and more free economic future. As much of the world has recognized, China poses a unique threat as both a "near-peer" technologist and one of the fastest growing economies. Thus, China and the Chinese Communist Party (CCP) are prominently featured, but this report also highlights other autocratic threats that emerge from the quantitative and qualitative data. The *Report* also explicitly focuses attention on the historical misuse of private capital that has flowed through our capital markets. We aim to fortify the defense of democratic values and principles by targeting these capital flows and the deleterious actions of private equity and venture capital in our private capital markets. The powerhouse of the U.S. and our allies' is private sector innovation in concert with global capital markets, which offer global democracy the best chance to clear the field of corrupt, rogue dictators.

The *Report* establishes a foundational reference point—and an indisputable marker—utilizing all accessible publicly and privately available data to construct a holistic and objective evaluation. We created the *Report* in partnership with outside consultants with expertise in financial analysis, economics, accounting, strategy, governance, geopolitics, and international affairs. The information herein is derived from a number of sources, both publicly available, as well as private, with significant elements of the data sourced from Bloomberg, CB Insights, Crunchbase, FactSet, Preqin, Private Equity International, S&P Capital IQ, and other databases. Our findings are driven by data and are intended to provide a transparent, compelling analysis of the risks posed by aberrant Institutional Investors and other entities whose decisions can shift the capital markets. We compared the timelines of investment, recognizing that the conduct of autocratic China has been well-known and documented for years, particularly in the preceding 36-month period. Thus, we selected a 36-month period as a minimum threshold, a relatively conservative period intended to eliminate any question of whether ignorance of the misconduct of China and other autocratic states could be plausibly justified. We focused our deal-related analyses on both publicly available datasets in tandem with private databases for specific deals. As these datasets evolve in time, we will continue to update the report, both to provide greater clarity on the progress and to recognize the changemakers safeguarding democratic capitalism.

RUBICON REPORT

On January 11, 2024, the U.S. Department of Defense released the first ever, National Defense Industrial Strategy report, which included the following comment offering a stark warning:

> ### Adversarial Capital
>
> Below the level of armed conflict and in an era of strategic competition, adversarial nations are strategically employing investments in key U.S. and allied defense industries to harvest critical technologies, gain access to pioneering innovation and research and development efforts, leverage opaque private-public reporting structures to mask ultimate beneficial ownership (UBO), and capitalize on dual-use technologies that may be used to close the gap in the U.S. military's comparative advantage. While existing Committee on Foreign Investment in the United States (CFIUS) authorities as well as EOs for mergers and acquisitions, Team Telecom, ICTS, and Outbound Investment provide systemic measures against publicly disclosed investments transacted in the market, they do not provide full spectrum defense from targeted capital exploiting our open, free market economy. Private investment transactions in venture capital, private equity, real estate, greenfield investments, intellectual property acquisition and licensing, and debt markets, among others, are domains where adversarial capital threatens U.S. national security and economic interests without benefit of structural countermeasures.

The statement illustrates the immediacy, and critical nature, of the threat. It also serves as a telling signal of the limits of government oversight and formal regulation. This *Report* reinforces the urgency of the moment as well as offers quantitative and qualitative support designed to encourage a re-evaluation by private sector corporate executives and fund managers. It also posits constructive policy changes for legislators and policymakers.

Future Union released an Executive Summary of the *Rubicon Report* in November 2023. For completeness, the more robust, full-report hereto provides greater detail, coverage, and clarity than the summary data of the information released in the prior report. Future Union's *Rubicon Report* looks at the flows of private market capital from three vantage points: outbound investment, inbound investment, and entanglements between both. While the total amount of capital funding from the U.S. to the Chinese (and Hong Kong) private sector has declined given the heightened U.S.-China geopolitical tensions, as noted in Chart 1, the amount of funding continues to be significant. This reality underscores a critical point: many U.S. investors continue to see China as an opportunity to earn a significant return, rather than for the threat China poses.

Chart 1. Funding to China-based Funds, with U.S. Investor-based Participation.

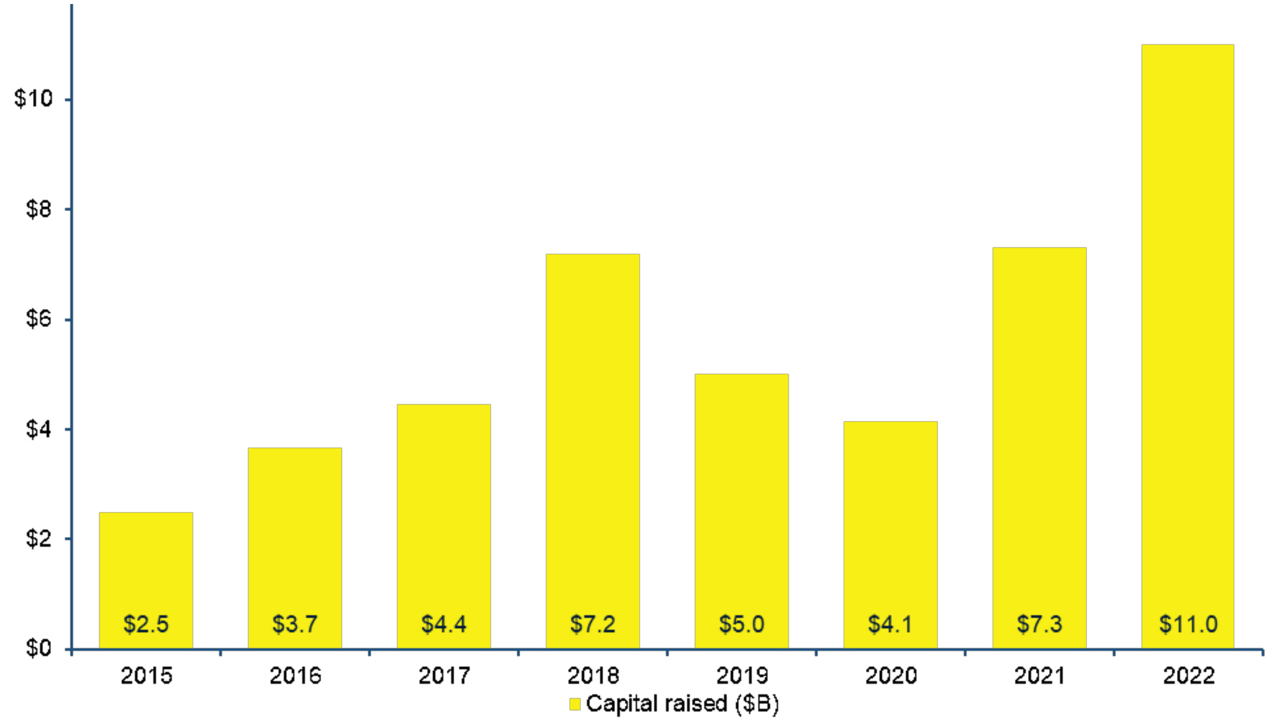


Chart 1: Funding to Chinese-based Funds with U.S. Investor Participation.
Source: Pitchbook data, as of July 12, 2023, includes firms with headquarters or secondary offices in China and Hong Kong.

FFunding has declined significantly in 2023 corresponding with reduced deal volume. However, the amount of capital raised by Chinese funds from U.S. investors was the highest on record in 2022, totaling $11.0 billion, a significant portion of which coincided with large funding rounds by Sequoia Capital China/HongShan, which included numerous U.S. investors, according to data.

Additionally, the White House's Executive Order released on August 9, 2023, establishing an Outbound Investment Program, which was intended to reduce the U.S. funding transferred to critical emerging technologies in China, underscores the problem and importance of greater action. Despite the order being limited to only three narrow sectors related to a) Semiconductors and microelectronics, b) Quantum computing, and c) select Artificial Intelligence areas, the order faced immediate opposition, including a well-funded private financial sector intent on aggressively eroding the tangible impact. As this Executive Order evinces, the U.S. cannot rely solely on governmental policy or voluntary industry action to ensure the withdrawal of such international funding. Even given the limited scope of the order, the U.S. financial industry took immediate steps to curtail and reduce the parameters in the subsequent "comment period." Unlike many other broadly popular industry initiatives — like restrictions on ByteDance-owned TikTok and reshoring or near-shoring supply chains — many of the global financial investors, such as multinational banks and global asset managers, still view China as a growth area, and covet access to a consumer market tied to a population of 1.4 billion.

For more than a decade, the CCP and China have strategically cultivated and encouraged foreign investors and capital allocators using many of the same methods used to entice and manipulate espionage targets. China has heavily promoted investing in the country by staging elaborate conferences like the Wuzhen Investment Conference, also known as the World Internet Conference, which has been operating as a dual showcase and intelligence gathering operation for more than a decade, according to reports. Despite such public promotional campaigns, the inherent subterfuge and reality behind a cunning marketing scheme becomes transparently clear when the former, supposed partners begin exerting pressure on the foreign investor or corporation to "share" technology, before actively violating the mutual terms of the contract and ignoring other legal claims and protections. China has adeptly maneuvered the private markets leveraging the use of capital to pressure companies, and gain broad concessions alongside access, information, and influence. This pressure facilitated "forced technology transfers," surreptitious joint ventures, and outright theft of critical intellectual property from companies and startups in the U.S. — all as a pretense of being permitted to conduct business in China. The financial community's feigned ignorance has enabled the CCP to establish points of access across the U.S. technology ecosystem — including proprietary data and process know-how — along with influence in the technology hotbeds of Silicon Valley, Boston, and New York, as well as across the global financial system.

Regardless of aggregate funding amounts, the mere existence of this funding permits the use of capital to further non-pecuniary interests that pose unpredictable and unforeseen risks to the system. As the U.S. Federal Bureau of Investigation ("FBI") has reported, this access and influence is multifaceted. It is not only direct information from startups' quarterly or annual information, rights from clauses in financing agreements, and board of director-level pressure emerging from board rights. It is more attenuated. Even the collection of seemingly innocuous data from disparate sources can be assembled to triangulate techniques, technological know-how, and gain competitive market advantages. If China's public company history of using such pressure tactics and techniques offers any indication of the interference with private companies, the CCP's proxy investors augur an even greater threat. History has shown that the CCP will go to any lengths, and seize any opportunities to their advantage, including using any and all limited partnership influence from their ownership stakes in funds as a core anchor to extract the elements necessary to continue to build their rival technology ecosystems.

Notably, both U.S. private equity and venture capital firms have been complicit in enabling the extraction of U.S. research and development by businesses in China in return for pecuniary gain. These activities have served as a key mechanism and gateway enabling China's rise to its present, "near-peer" technological equivalent status. Chinese investors and businesses, in particular, are adept at disguising their true intent, masquerading as return-oriented, when in fact, the intent is to use capital as a veritable "trojan horse" for intellectual property theft and other pressure-related influence, both of which have been critical to China's rise. China has systematically extracted the most cutting-edge technology, using methods like cyberhacking and theft, "forced technology transfers" and fictitious joint ventures (where access is required and the auspices of a Chinese "partner" are required to enter into the Chinese market). The success of such operations has provided the technology know-how that underpins virtually all advanced technological developments that Chinese businesses have achieved, the vast majority of which would not have been possible through local development alone.

The Committee on Foreign Investment in the U.S. (CFIUS), chaired by the U.S. Department of the Treasury, is an interagency committee authorized to review certain transactions involving foreign investment and certain real estate transactions by foreign persons in response to attempts by international entities and states to use such investments to compromise U.S. national security. Historically, the committee's work was limited to control transactions (in which the acquirer gained full ownership), which subsequently has been expanded to include minority ownership control investments in certain sectors. However, private, limited partner investments, also known as passive investments, still have not been subject to broad review by CFIUS. The CCP has exploited this weakness to invest in more lightly regulated private equity and venture capital funds, and, more generally, the private markets in order to secure access to technology and establish and cultivate relationships that have resulted in tremendous private sector influence. The U.S. Department of Commerce and U.S. Department of Treasury have independent, separate - sometimes dueling - lists with each taking an entity-specific approach in attempting to, first, identify, and, next, restrict entities with known entities of concern or those with probable connections to Chinese entities affiliated with the military-industrial complex for involvement with U.S. investors and companies, yet that process requires considerable effort, and is largely retrospective, resulting in obvious gaps in the process and success.

The *Report* reviews the investments in alternative assets of private equity and venture capital which offer China an advantage with minimal reporting requirements and lesser regulation than the public equity and debt markets despite an acute proximity to the America's most critical technologies, proprietary processes, and latest research and development. These actions have also been concurrent with China's purchase of access to the top U.S. fund managers (as illustrated below in Table 1). This access has been longstanding, and lucrative, which conversely also benefits the funds, as such funds have long sought access to the Chinese technology market.

Thus, the threat of China continuing to receive capital from the U.S. — in combination with Chinese capital coming into the U.S. — still looms over the sectors that constitute the greatest threat to maintaining technology superiority. The chief capital providers in the U.S., collectively referred to as the U.S. institutional investors, include public and private pensions, university endowments, and nonprofit/foundations.

For context of the private capital investment process, the parties involved includes three main categories of market participants. First, the capital allocators, who are more specifically referred to as Institutional Investors in this report (and comprise a broader group of capital providers, which may include individuals, wealth managers and others, who are generally referred to as limited partners). Second, the broad class of investors, who tend to be private equity and venture capitalist funds for the purposes of this report (though, at points, this category also includes asset managers, hedge funds, and global financial institutions). Finally, the startups and companies who receive capital directly from investors but, indirectly, are the ultimate beneficiary-recipients of the funding that originates with capital allocators/Institutional Investor-managers and cascades down through the investors, in the interlinked, private market financing ecosystem of technology investing.

U.S. institutional investors:

1. **U.S. Public Pension Funds:** These government-managed investment pools are designed to provide retirement benefits for public sector employees. Since the U.S. lacks any government or state-sponsored, Sovereign Wealth Funds ("SWF"), such as those in China or Saudi Arabia, U.S. public pensions funds are the closest vehicle that the U.S. has to such governmental investment bodies. The pension funds derive their funding from the retirement accounts that are placed in trusts for future beneficiaries. Pension portfolio managers attempt to generate returns that exceed a threshold above inflation, as well as the market, to ensure solvency for future beneficiaries. Investments can be self-managed or outsourced to third-party managers .

   In our view, however, that return-centric approach does not obviate the need to support and enhance the U.S. competitiveness in advanced technologies. Nor does the absence of intent for such investments being used to exploit free markets and support foreign competitors excuse choices that foreseeably permit it to occur, as our examination illustrates.

2. **Public and Private Colleges and University Endowments:** These endowments receive funds from three sources, a) donations, such as formal capital campaigns, b) normal operations, such as tuition, and c) returns, from deploying investment capital across public and private markets, which then reverse the process, using such funds to support operations, scholarships and capital improvements.

   It should be noted that private university endowments are administered by educational institutions that often receive little or no state or federal funding and, thus, tend to have fewer regulatory limitations to which they must adhere. However, regardless of public or private status, both endowments have been able to avert public disclosure of investments through a combination of opaque tax and entity structures and through lobbying. These portfolios can be entirely self-managed or partially (or fully) outsourced to third-party asset managers.

   As university budgets have grown ever more expensive and infrastructure demands have increased, greater pressure to generate returns has coincided with rising investments in China. As our data shows, these investors' decisions have remained largely impervious to the implications of those investments.

3. **U.S.-Based Nonprofits and Foundations: T**hese entities are established to manage and distribute funds for philanthropic purposes, supporting a variety of charitable activities and initiatives. The vast majority of capital underpinning the largest nonprofits and foundations originate from wealthy individuals, family offices, or other entities associated with prominent donors. These may include the Mellon, Ford, Rockefeller, Carnegie, Getty and Chan_Zuckerberg initiatives. Other foundations administer "Donor Advised Funds", such as those managed by the Silicon Valley Community Foundation. All of these foundations seek to remediate issues ranging from social ills to health inequalities but come with substantial administrative and overhead costs, and seek robust rates of return on their investments. Our data shows that these policy-oriented organizations have a history of ambivalence as to whether their investments include Chinese-entities, such as those with ties to the military-industrial complex. The Report details the numerous instances of impertinent investments by Nonprofits and Foundations, much like the investment managers from Public Pensions and U.S. University Endowments.

These three types of U.S. institutional investors make up the majority share of the capital allocated to U.S. venture and private equity funds, with public pension funds comprising 67% of private equity's aggregate limited partner capital. All three of these entities are highly motivated to produce returns beyond inflation and that of the broader market, which is one reason that alternative assets have been so appealing. These investors collaborate with private equity and venture capital funds, utilizing Limited Partnership Agreements (LPAs) to define each fund's lifespan and investment parameters. Typically, these LPAs establish a five-year investment cycle, with a ten-year life cycle, with the possibility of extensions for one or two years, as specified in the LPA.

While these Institutional Investors are the capital allocators, it is the private equity and venture capital funds that are the final decision makers, determining which promising startups and companies receive the capital that they have been entrusted to deploy on behalf of the Institutional Investors (and other limited partners).

Culpability for the collusion and transfer of such critical technology developments is widely shared, but the private equity and venture capital funds are the prime channel through which China has built a formidable and broadly competitive (if not leading, in certain sectors) innovation ecosystem using both capital and valuable research and development-related know-how. Alongside the private equity and venture capital funds, ties between the largest global asset managers in the U.S. and China have enabled — inadvertently or covertly — the exploitation of the free and open capital markets for duplicitous purposes. The *Appendix* section also reviews two specific sectors of particular focus. The first is the Videogaming sector, a threat vector given its significant capital and broad entanglements with China and other autocratic countries. The second is the Fund of Fund and Secondaries industry in the private capital markets, where such overlooked investors have a unique vantage point and outsized influence given their strategic importance across the global finance community.

An Example of the Channels of Adversarial Exploitation: The Forbes/TrueBridge Midas List.

In no other place is the stark contradiction between words and action better exemplified than the annual Forbes/TrueBridge Capital's Midas List, the industry standard's individual awards list. Both foreign and domestic investors receive credit for investing in adversarial autocratic countries, which has reached such a level of prominent persuasiveness that Chinese-based investors were awarded the highest ranks on the latest list. In 2023, the top ranked investor was Sequoia China/HongShan founder and managing partner, Neil Shen. Even in 2023, no fewer than 46 of the 100 entities listed have previous or current firm-related ties to China (as indicated by their listed connections), either investing directly in China, or with connections to a captive or attenuated Chinese-arms.

The implications of such investments are multi-dimensional. For example, investors backing one startup in a particular sector often tacitly preclude investments in a direct competitor. And once invested, investors have an obvious incentive to ensure the success of portfolio companies, using any and all means and influence available. These funds have a fiduciary duty to their investors. Their greatest priority is to ensure that any investment in their portfolio succeeds. Therefore, every investor is incentivized to maximize the return of the company and portfolio. As further evidence of this point, when portfolio company ByteDance, parent of TikTok, received attention for the access, transfer, and warehousing of U.S. teens' personally identifiable information in Congress, Sequoia Capital stepped forward advocating for leniency on Capitol Hill. In this instance and countless others, private equity and venture capital owners are incentivized to assist portfolio companies, even if they reside in countries of concern ("countries of concern") and threaten to undermine competing U.S. technologies. Not only do companies like ByteDance benefit when competition is eliminated, the chilling effect creates a larger market opportunity — and greater returns — for these funds, thereby compounding the damage to a rule of law system and benefiting such investors' funds.

Additionally, the current regulatory disclosure requirements are insufficient for the threat. The current regulatory landscape merely requires disclosure of lobbying ties when officially courting members of Congress yet does little to create safeguards of practical relevance in such an open and permissive system, especially when the interest of state-affiliated and influenced investors diverge from economic motivations.

Finally, as the FBI and the U.S. House of Representatives have explained, all information that flows back to China under the auspices of legal requirements, as all private companies and fund information is accessible by the CCP. As the Chairman of the U.S. House of Representatives' Select Committee on the Strategic Competition between the United States and the Chinese Communist Party ("China Select Committee"), Mike Gallagher says, "There's no such thing as a private company in China. China reserves the right to swipe any data, to seize any assets and take IP that it wishes."

Thus, the problem extends beyond merely funding. For emphasis of the pervasiveness of the problem in finance, the Midas List is one example of the duplicitous interests in the global finance community, strategically courting both sides in a sophisticated triangulation designed to preserve optionality — and profits — regardless of which side prevails in the geopolitical clash.

Table 1. Forbes/TrueBridge Capital's Midas List of Top Venture Investors.

2023 Midas List by Forbes/TrueBridge				
Rank	**Name**	**Firm**	**Main Investment**	**Headquarters**
1	**Neil Shen**	**Sequoia China (China)**	**ByteDance/ Kuiashou**	**Hong Kong, CHN.**
3	Alfred Lin	Sequoia (had a China arm, Sequoia China)	Citadel Securities	San Francisco, California
4	**Richard Liu**	**5Y Capital (China)**	**Xiaomi**	**Hong Kong, CHN.**
5	Navin Chaddha	Mayfield Fund (Invests in China)	HashiCorp	Saratoga, California
7	**Zhen Zhang**	**Gaorong Capital (China)**	**Pinduoduo**	**Beijing, CHN.**
10	**Hans Tung**	**GGV Capital (Crossborder)**	**Airbnb/ByteDance**	**San Francisco, California**
12	Sameer Gandhi	Accel (has a China arm, IDG-Accel)	Freshworks	San Francisco, California
14	Reid Hoffman	Greylock (Invested in Northern Light, a Chinese fund)	Airbnb	Palo Alto, California
15	Satish Dharmaraj	Redpoint Ventures (has a China arm, Redpoint China)	Cockroach	Saratoga, California
19	Luciana Lixandru	Sequoia (had a China arm, Sequoia China)	UiPath	London, GBR.
20	Scott Shleifer	Tiger Global Management (Invests in China)	Upstox/**ByteDance**/ Palantir	New York, New York
27	Roelof Botha	Sequoia (had a China arm, Sequoia China)	Unity Software	Menlo Park, California
28	**Anna Fang**	**ZhenFund (China)**	**RED**	**Beijing, CHN.**
31	Douglas Leone	Sequoia (had a China arm, Sequoia China)	Nubank	Atherton, California
32	Barry Schuler	DFJ Growth (has a China arm, DFJ DragonFund China)	Unity	Napa, California
35	**Fisher Zhang**	**5Y Capital (China)**	**Kuaishou**	**Hong Kong, CHN.**
37	Marc Stad	Dragoneer Investment Group (Invests in China)	Spotify/**ByteDance**	San Francisco, California
38	Subrata Mitra	Accel (has a China arm, IDG-Accel)	Flipkart	Bangalore, IND.
39	**David Su**	**Matrix Partners China (China)**	**Baidu**	**Shanghai, CHN.**
40	**Hurst Lin**	**DCM (Crossborder)**	**Kuaishou**	**Beijing, CHN.**
41	**Nisa Leung**	**Qiming Venture Partners (Crossborder)**	**New Horizon Health**	**Hong Kong, CHN.**
42	**Jixun Foo**	**GGV Capital (Crossborder)**	**Xpeng**	**Shanghai, CHN.**
43	Tom Stafford	DST Global (Invests in China/ Russia)	Nubank	London, GBR.

48	Saurabh Gupta	DST Global (Invests in China/ Russia)	Chime	San Francisco, California
50	Michael Moritz	Sequoia (had a China arm, Sequoia China)	Instacart	San Francisco, California
52	Andrew Braccia	Accel (has a China arm, IDG-Accel)	Slack	Hillsborough, California
53	Young Guo	IDG Capital (has a China arm, IDG-Accel)	Coinbase	Cupertino, California
54	**Yi Cao**	**Source Code Capital (China)**	**ByteDance**	**Beijing, CHN.**
58	**Jenny Lee**	**GGV Capital (Crossborder)**	**Kingsoft WPS**	**Singapore, SGP.**
62	**Steven Ji**	**Sequoia China (China)**	**DianPing**	**Shanghai, CHN.**
66	Mamoon Hamid	Kleiner Perkins (has a China arm, IDG-Accel)	Slack	Menlo Park, California
67	Bryan Schreier	Sequoia (had a China arm, Sequoia China)	Qualtrics	Menlo Park, California
69	**Allen Zhu**	**GSR Ventures (Crossborder)**	**DiDi Chuxing**	**Shanghai, CHN.**
70	**Duane Kuang**	**Qiming Venture Partners (Crossborder)**	**WeRide**	**Shanghai, CHN.**
71	**Anton Levy**	**General Atlantic (Invests in China)**	**Mobileye/ ByteDance**	**New York, New York**
72	Philippe Botteri	Accel (has a China arm, IDG-Accel)	UiPath	London, GBR.
74	Scott Raney	Redpoint Ventures (has a China arm, Redpoint China)	Cribl	Menlo Park, California
76	**Jing Hong**	**Gaocheng Capital (China)**	**Meituan**	**Beijing, CHN.**
77	Ryan Sweeney	Accel (has a China arm, IDG-Accel)	Qualtrics	Menlo Park, California
78	Xiaojun Li	IDG Capital (has a China arm, IDG-Accel)	**Xiaomi**	Boston, Massachusetts
79	Scott Sandell	New Enterprise Associates (Invests in Chinese venture fund, Northern Light)	Cloudflare	Palm Beach, Florida
82	Matt Witheiler	Wellington Management (Invest in China)	UiPath	Denver, Colorado
84	Carl Eschenbach	Sequoia (had a China arm, Sequoia China)	Snowflake	Los Altos Hills, California
88	Rahul Mehta	DST Global (Invests in China/ Russia)	DoorDash	Dubai, UAE.
91	Pat Grady	Sequoia (had a China arm, Sequoia China)	Snowflake	Portola Valley, California
95	Elliot Geidt	Redpoint Ventures (has a China arm, Redpoint China)	Nubank	San Francisco, California

Source: Forbes/TrueBridge Capital Partners, Midas List 2023.

Note: Highlighting denotes cross-border funds with an office in Countries of Concern and the U.S. and/or firm's based in China/Hong Kong, either current or previous. Items without highlighting indicate affiliated linkage to, or identified direct investments in, Countries of Concern.

The information presented in Table 1 offers a single example that is illustrative of the much broader attenuated methods, scope, and far broader campaign co-opting the mechanisms of free markets. This indicates the use of commercial dealings combined with capital to turn corporate entities against the long-term interest of their own democratic-led institutions, and the U.S. at large. In full transparency, we note the controversy surrounding ownership of Forbes Global Media Holdings, publisher of Forbes magazine, the creator of the Midas List, perhaps, itself directly tainted by the same China-influence as the venture capitalist firms it ranks, according to a letter sent by U.S. Senator Tom Cotton and Senator Marco Rubio seeking the U.S. Department of Treasury to halt the transaction on suspicion it was a straw-man purchase on behalf of the CCP. This serves to reinforce the numerous and dubious ways in which private capital continues to be the preferred form leverage by China and the CCP, which has been pervasively employed to gain access, influence, and power.

Also notable are the individual investors that have invested simultaneously in the U.S., while leading some of the largest China-focused deals, such as ByteDance (Hans Tung, Marc Stad). Also, Tiger Global partner, Scott Shleifer received simultaneous credit for investing in defense-focused Palantir and ByteDance. While venture firms like Sequoia Capital China/HongShan and GGV Capital recently announced voluntary divisions, those are symptoms of their success, rather than positions of weakness, as both have significantly enriched all involved, including the innovation ecosystem in China.

THE INSTITUTIONAL INVESTORS:

The Most Significant Sources of Outbound Capital.

In evaluating Institutional Investors activities, our analysis indicated that funding remains largely unencumbered, and continues to flow to China. The influx of capital, combined with cyberhacking, corporate espionage, and the extraction of intellectual property from universities and research institutes remain the single biggest point of weakness in our system. It would be one thing if this was an isolated, aberrant single-state actor and isolated method, however, the data indicates that it is an industry-wide issue. From our data, U.S. public pensions and university endowments have invested approximately $146.1 billion between 2018 and 2022. Nearly half of that came from 2021 and 2022.

Chart 2. Funding to China-based Funds from U.S. Public Pensions and University Endowments.

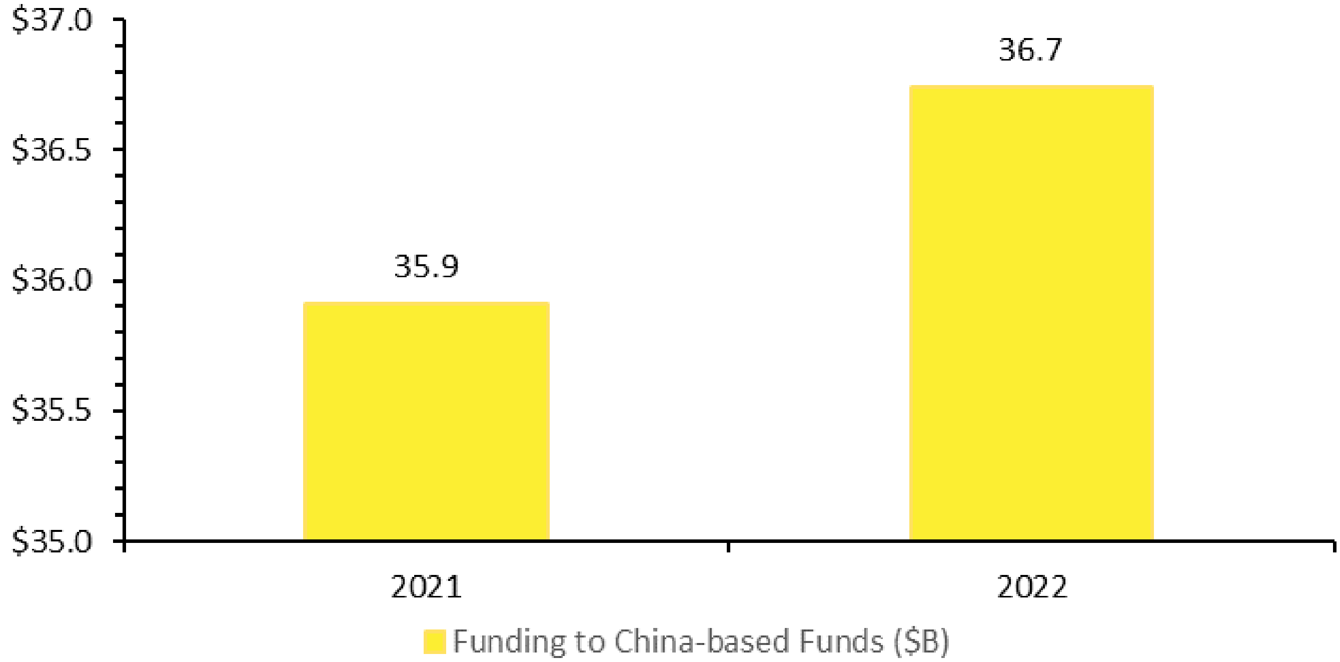
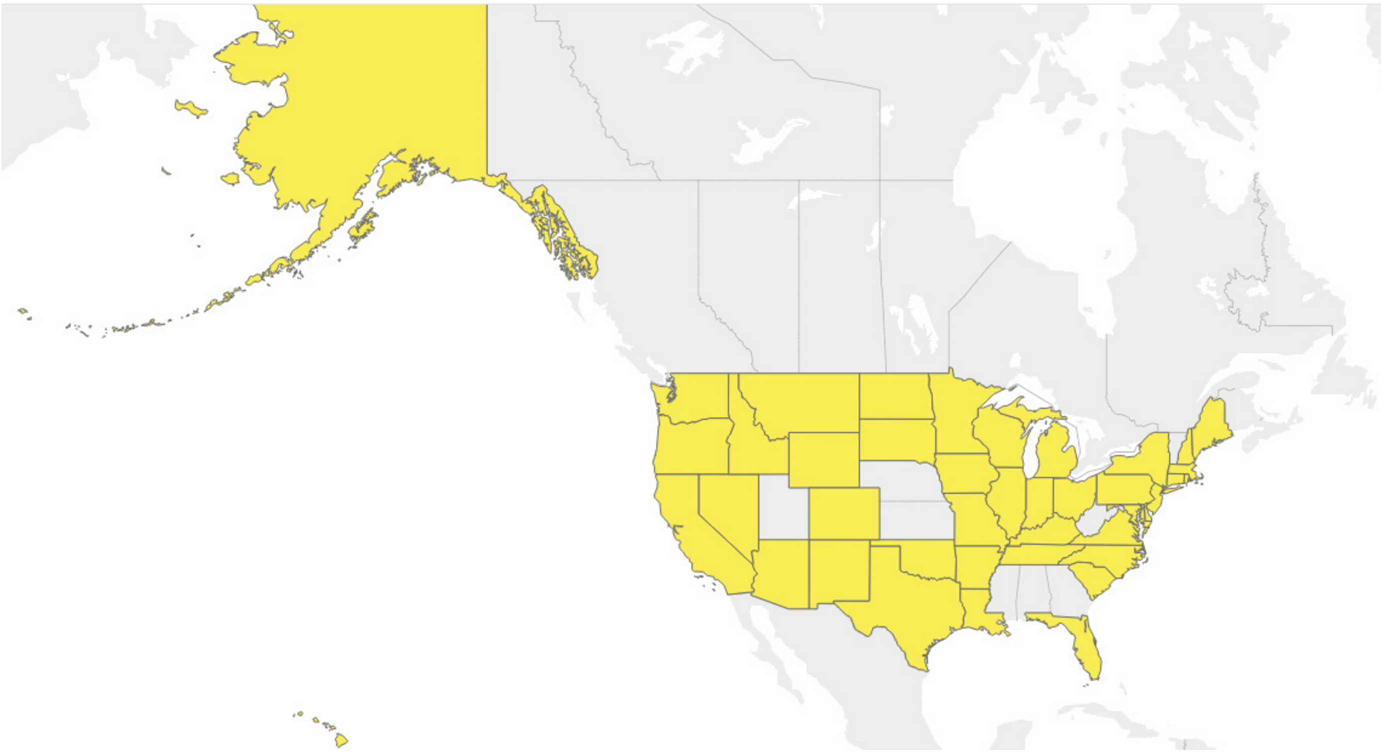


Chart 2: U.S. Public Pension and University Endowments investing in China and Hong Kong.
Source: Data from public and private sources as of June 30, 2023.

A. U.S. PUBLIC PENSIONS.

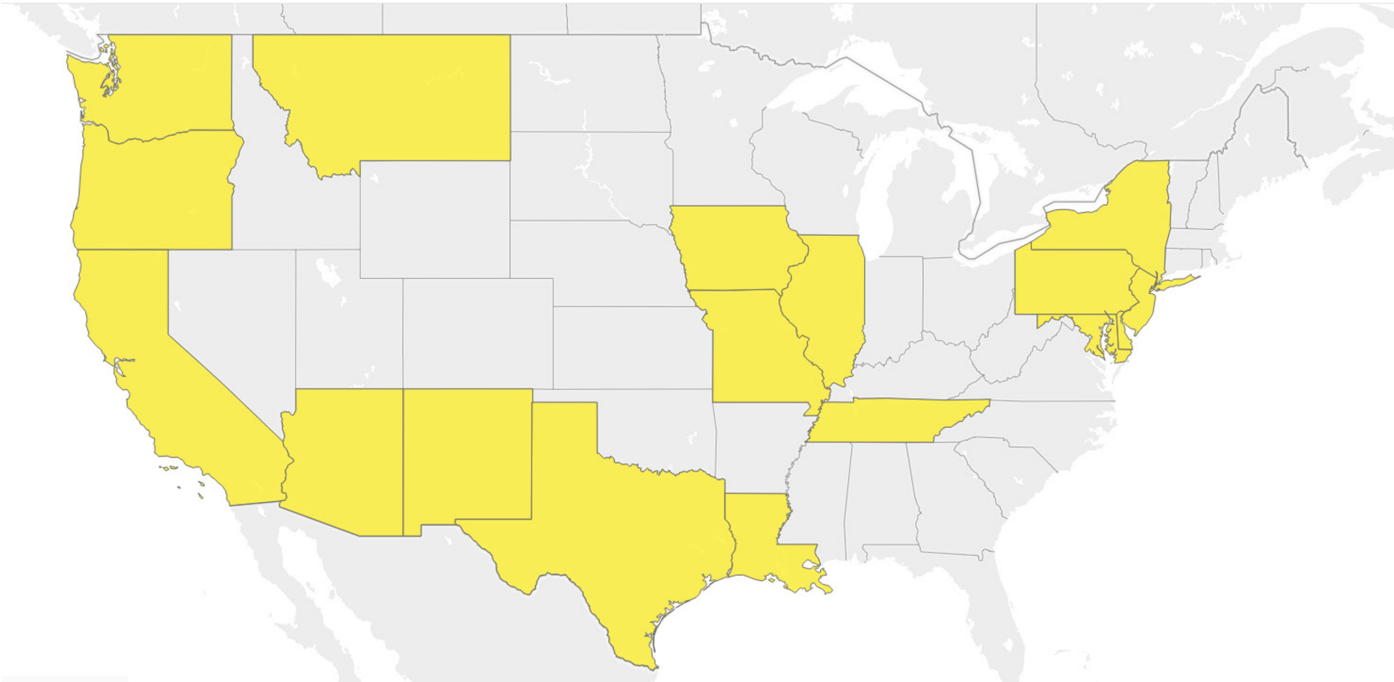
Map 1. States with at least one Public Pension investing in China and Hong Kong.



Map 1. States with Public Pensions that have Invested in China and Hong Kong.
Source: Public and private databases as of June 30, 2023.

After evaluating the largest U.S. Pension Funds, the data indicated that the majority of large Public Pensions across the U.S. have invested in China in the past. Of the 74 largest U.S. Pension Funds reviewed, 29 of the 74 have made investments in the past 12 months (39%), and 56 of the 74 public pension funds with previous investments have made follow-up investments in the past 36-month period. This is a staggering 75% renewal rate by pension portfolio managers entrusted to responsibly manage the retirement wealth of the U.S. pensioners, despite the geopolitical implications and the obvious benefit to a foe's innovation ecosystem.

Map 2. States with at least one Pension investing more than 2% of their AUM in China or Hong Kong.



Map 2. States in which one or more pensions have committed more than 2% of their total AUM to China/Hong Kong.
Source: Public and private databases as of June 30, 2023.

Over the past 36-month period, U.S. public pensions have invested more than $68 billion in China. For comparison, that is more than the total amount spent by the U.S. government and State Department's funding on democracy education globally by an order of magnitude. For example, Map 2 depicts the states in which one or more pensions have committed more than 2% of their total assets under management (AUM) to China.

Chart 3. Latest Date of Investment by Public Pension Funds in China or Hong Kong.

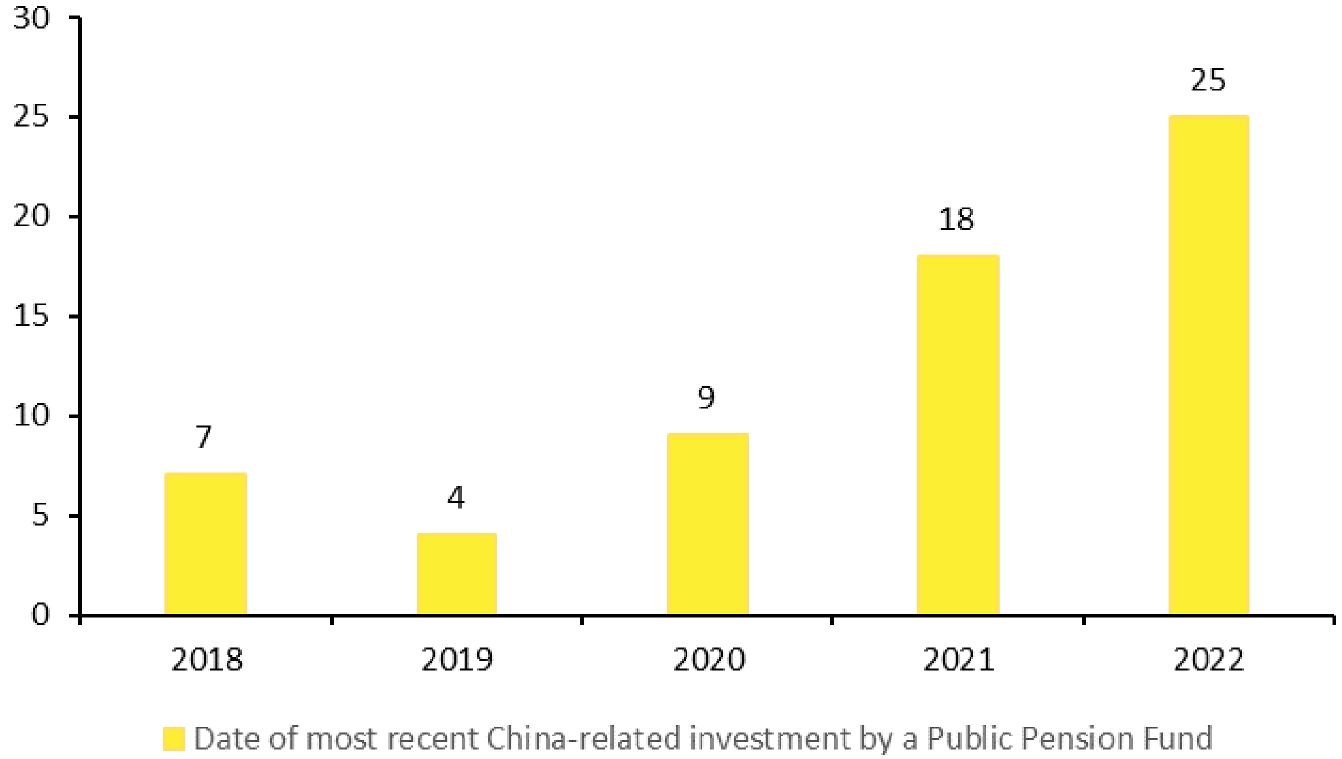


Chart 3. Latest date of Public Pension Funds Investing in China by Year.
Source: Public and private databases as of June 30, 2023.

The above chart indicates the latest year in which a specific U.S. pension fund made an investment in China. As such, the data does not indicate that the pace of investment is abating; rather, investments have accelerated since 2018, dwarfing previous years. There are 30 states (including Hawaii and Alaska) with pensions who have invested in China in the past 36-month period.

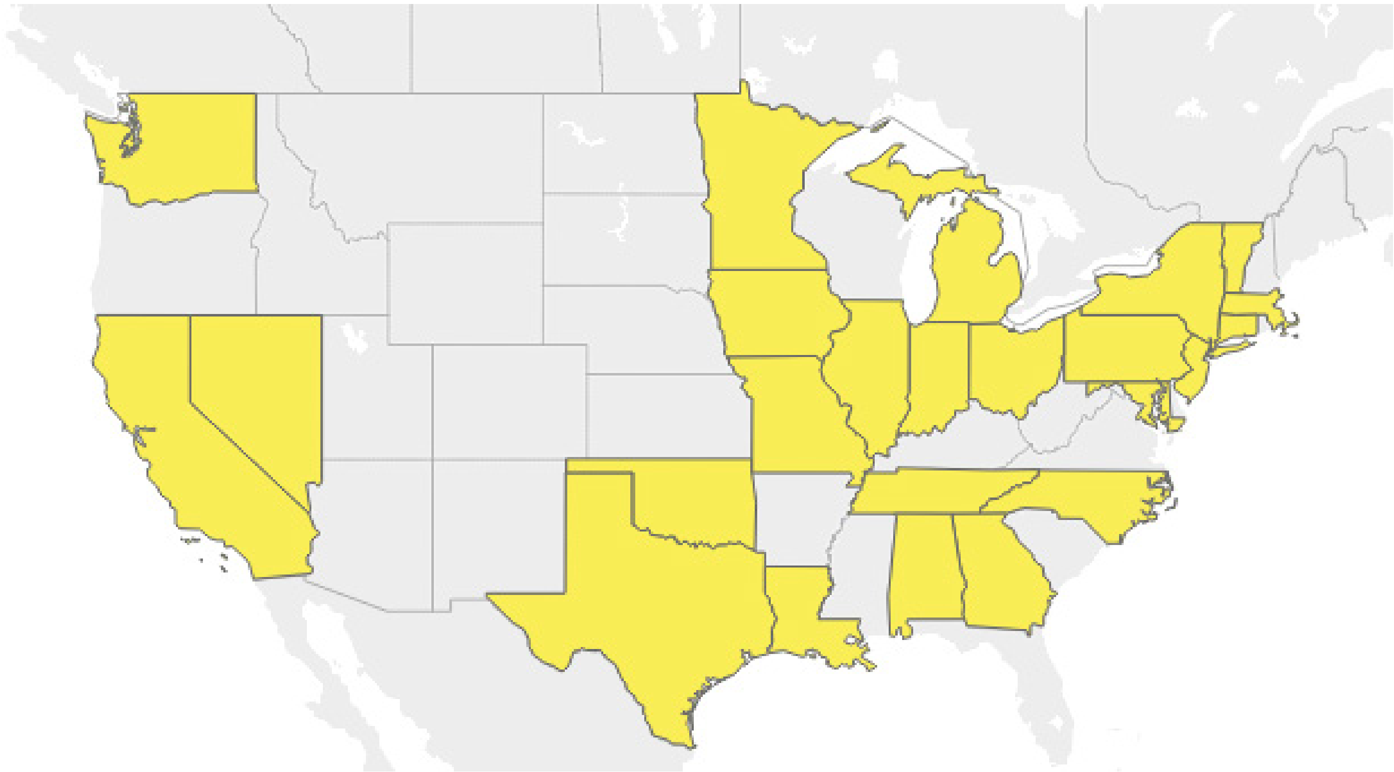
It should be noted that, typically under an LPA, each commitment to China has an investment period that spans ten-years on average, so the commitments today are legally required to be honored for years to come. What the map fails to adequately convey is the size of investments, which has continued to increase by an order of magnitude.

Disclaimer: The information is derived from publicly available sources and private databases but significantly underreports the scope and scale of the issue, suffering from the twin challenges: a) that many public pensions only report in aggregate, thus, offering little transparency on particular fund managers necessary to properly evaluate the investments, and, b) private pensions are not subject to similar disclosure and reporting requirements. Additionally, the lag in reporting regimes may undercount the number of states who have recently made commitments.

B. UNIVERSITY ENDOWMENTS.

U.S. University Endowments, both private and public, maintain a broad portfolio of investments. Alternative assets are among the most crucial, and often the highest returning asset class, yet both types are subject to limited oversight, often with mere voluntary disclosures (which most decline to make public). And even when there would be transparency requirements on some endowments, public universities widely employ techniques to circumvent the limited, mandatory disclosures in order to shield investment information from their university peers and the public at large.

Map 3. States with at least one University Endowment investing in China and Hong Kong.

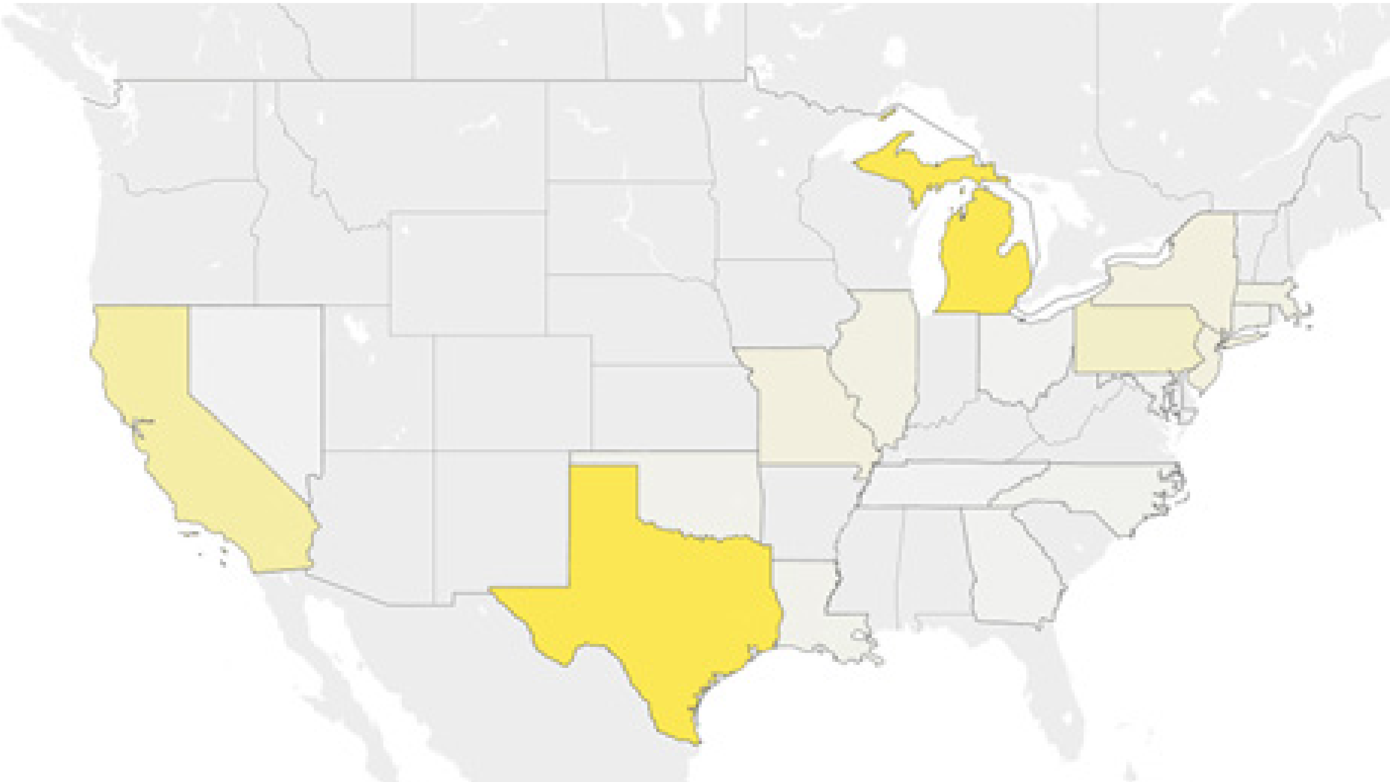


Map 3. Endowment Investing in China. This map represents the states with universities that can be connected to investments in China and Hong Kong. Source: Public and private databases as of June 30, 2023.

While the public pension revelations are striking, the choices by the university systems are equally regrettable given the message that higher education typically presents to students.

The vast majority of our largest and most well-funded schools continue to invest into the competing Chinese technology ecosystem. As depicted in Map 3, these are states with universities that have identifiable linkages tying investments to China. As stated, the reality is much more objectionable than depicted given the myriad of techniques frequently employed by such universities to create exemptions that serve to curtail investment disclosure.

Map 4. University Endowments with the largest concentrations of investments in China.



*Map 4. Universities with the greatest concentration of investment in China. This map reflects the universities that have made the most significant investments in China, according to available information.**
Source: Public and private databases as of June 30, 2023.

Some of our most well-known universities, such as the University of Michigan, continue to make significant investments in China. University of Michigan has invested $1.6 billion across 83 investments, the latest just a few months ago. The University of Texas has invested $1.6 billion across 29 investments, with nearly $419 million allocated in the last 36-month period, while the University of California has invested $1.5 billion across 22 investments, with 54% allocated in the last 36-month period. It is also well-known that the most significant alternative asset investors are the private universities with the largest endowments, namely Harvard University, Massachusetts Institute of Technology (MIT), University of Pennsylvania (UPenn), Stanford University, and Yale University, all of whom have taken some of the most aggressive steps to maintain the secrecy of their private investment portfolios.

**As noted, this data is derived from publicly available sources and both public and private universities go to great lengths to obscure their investments. This categorically underreports the size, number, and level of investment in China and Hong Kong.*

Chart 4. Total Endowment Commitments by Year to Funds in China and Hong Kong.

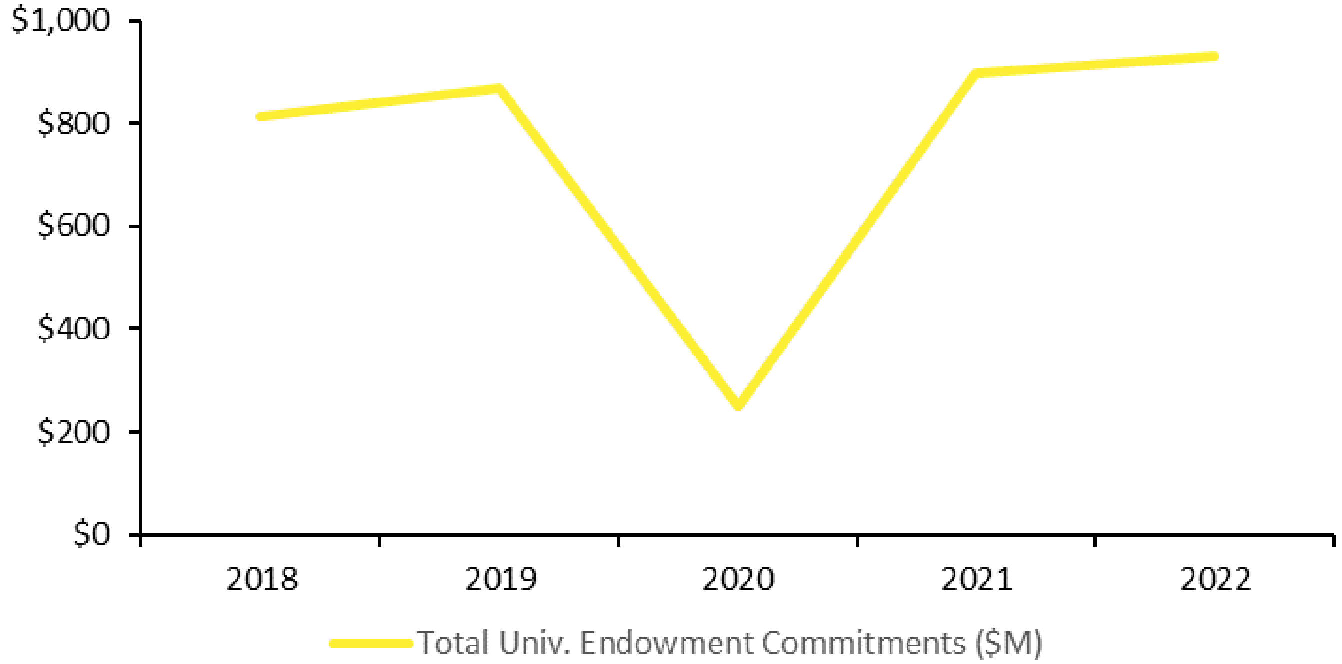


*Chart 4. Amount of Committed Capital made to China and Hong Kong by University Funds.**
Source: Public and private databases as of June 30, 2023.

*As noted, a small subset of the reality of the total investments, as available data largely only relates to public university endowments, as private university endowments are not required to disclose investments, and full transparency would reveal a much greater level of investment. Note: The twelve-month period includes 2022 to present, while 24 months represents 2021 to present and 36 months is beginning in 2020.

Disclaimer: As indicated, while the available data on the U.S. pension system underestimates the scale and scope of the issue, endowment information in general is far less accessible than pensions, especially for private universities. Thus, the fuller picture would reveal a more extensive size, scale and scope of the issue. Also, noted, is that when disclosure is required or elected, the timing of such disclosure can be arbitrary and delayed.

C. NONPROFITS AND U.S. FOUNDATIONS.

The nonprofit and charitable giving sector is one of the largest and most powerful collective segments of U.S. funding attempts to create a more equitable society. The tax code gives special privileges to such entities to encourage risk taking and reinvestment. In the context of tax rates, the U.S. tax code offers significant opportunities for wealthy individuals to maintain generous giving preferences and shield wealth from taxes under nonprofit and foundations' legal tax-status exemptions. As such, the broad Nonprofit and U.S. Foundation sector can be a harbinger of the best of the U.S. system: a benevolent and significantly impactful group contributing to alleviation of admirable inequities. Yet, conversely, as our data illustrates, it can also betray the interests of the country, instead opting to invest capital that benefits competing, autocratic innovation ecosystems. These actions damage U.S. innovation and deprive it of the risk capital upon which it is reliant.

Notable foundations, have also been extensively involved in China-investment funding, including the MacArthur Foundation (20th largest) with 41 investments, the Rockefeller Foundation (30th) with 38 investments, Carnegie Foundation (42nd) with 30 investments (the latest in the past few months), Andrew W. Mellon Foundation (21st) with 26 investments, J. Getty Trust (23rd) with 24 investments, have invested in China. Many of them have done so recently. For example, The Robert Wood Johnson Foundation, the eleventh largest nonprofit foundation in America and namesake and founder of Johnson & Johnson healthcare, made investments as recently as the last few months and has shown a strong proclivity toward investing in China, totaling more than 55 total investments in Chinese-based private funds, though recently agreeing to cease new investments.

According to our research sources, Nonprofit and U.S. Foundations overall have made more than 620 commitments to Chinese and China-related venture capital and private equity funds, including the Sherman Fairchild Foundation (301st) with 23 investments, the Richard King Mellon Foundation (57th) with 20 investments, the Mayo Clinic (14th) with 7 investments, Heinz Endowment (83rd) with 6 investments, the Peter G. Peterson Foundation (249th) with 6 investments, the Hall Family Foundation (258th) with 6 investments (the latest in the past few months), the Pritzker Foundation (453rd) with 5 investments, Ewing Marion Kauffman Foundation (91st) with 3 investments, the Ford Family Foundation (222nd) with 3 investments (the latest being in the past few months), the Frist Foundation (380th) with 3 investments (the latest being in the past few months), and the Bush Foundation (101st) with 14 investments (the last one being in 2019), reportedly.

D. ALTERNATIVE ASSET INVESTORS: PRIVATE EQUITY AND VENTURE CAPITAL.

In evaluating the recipients of the Institutional Investors' capital, there are broad trends that stand out in the underlying data throughout the *Report*. The data reveals a notable uptick of funding to China over the last 5 years. As such, these funds have benefited from the largesse of Institutional Investors seeking returns. As previously noted, in each investment the fund is duty-bound and fiduciarily required to assist the startups and tends to do so in all possible legal manners in order to maximize the probability of success and generate the most lucrative outcome for every portfolio investment.

Chart 5. Funding to China-based Companies, which were Led or Co-led by a U.S. Investor.

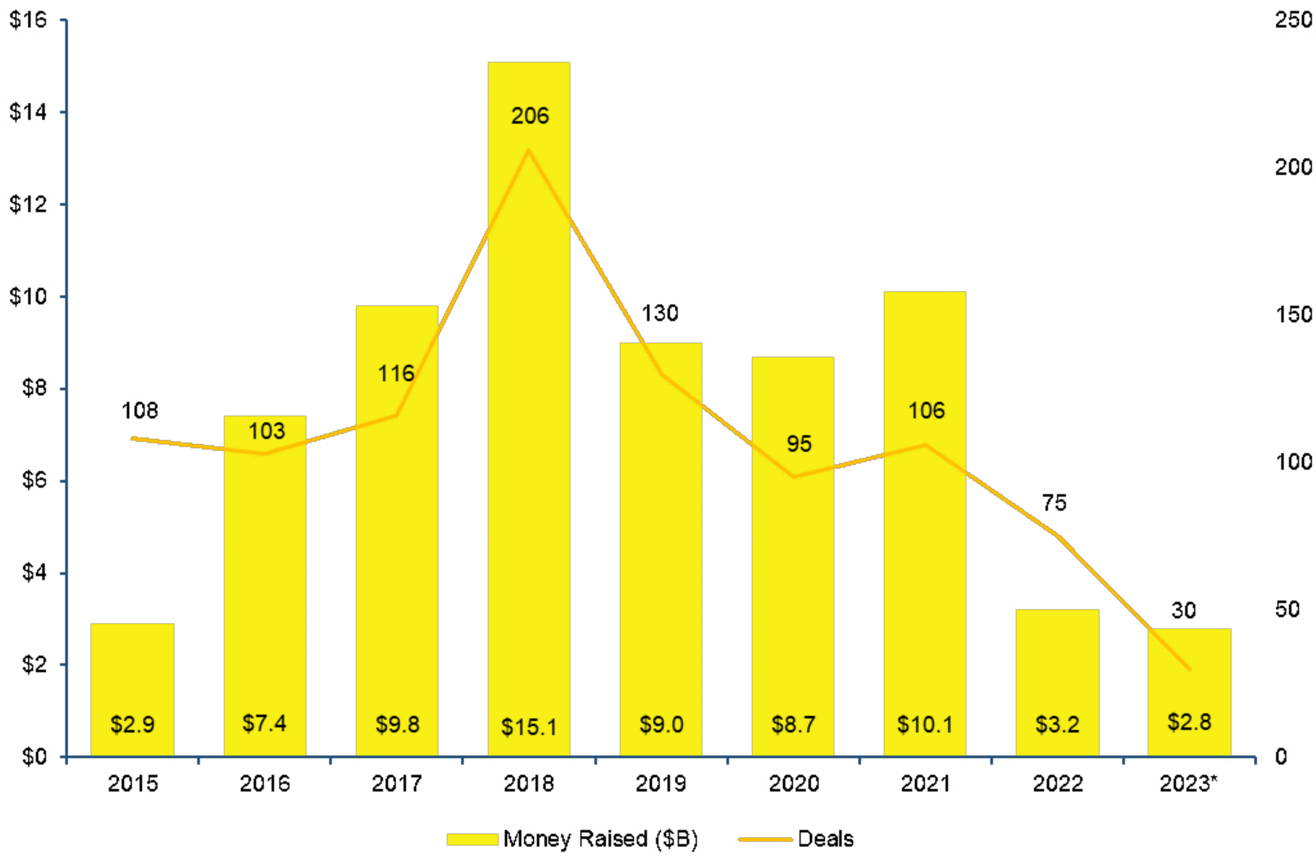


Chart 5: Funding to Chinese-based Companies that were Co-Led/Led by U.S. Investors.
Source: Crunchbase data, as of August 10, 2023, includes firms with U.S. parent entities and based on total size of funding round not amount contributed by U.S. investors.

In 2022, total U.S.-based venture capital investments in China was at $14.5 billion, down from the record setting $45.4 billion in 2021, according to PitchBook. However, juxtaposing the overall investment in China against the record of activity of investment financing of deals led by U.S. funds, we see the number of co-led deals relatively stable, even rising in some segments, into 2023. Thus far, U.S. venture capital investors have co-led deals that have amounted to $2.8 billion into technology companies in China. The largest investors in the space by number of deals since 2021 are as follows:

Table 2. Top US-related Investors in China in Recent Years.

Firm:	Location:
GGV Capital	Shanghai, China/Menlo Park, CA
GSR Ventures	Beijing, China/Palo Alto, CA
Walden International	Shanghai, China/Menlo Park, CA
Sequoia Capital China/ HongShan	Shanghai, China/Menlo Park, CA
OrbiMed	Shanghai, China/San Francisco, CA
Tiger Global	Shanghai, China/New York, NY
DCM Ventures	Beijing, China/Palo Alto, CA
Decent Capital	Menlo Park, CA

Source: Crunchbase data, as of August 10, 2023.

Despite a decline in the total dollar invested in 2023, Chart 5 demonstrates that U.S. investors continue to lead deals in China, and Chinese-startups continue to entice U.S. funds, despite a decline in overall funding within China. This also highlights a general trend that, despite the geopolitical tensions, U.S. fund managers continue investing in the startups they view as leading in technology advancement and capable of generating higher returns, even if it means ignoring the long-term implications of supporting an adversarial ecosystem.

While not adversarial autocrats, even funds touting America-first have taken significant capital infusions from friendly-autocratic countries. Like many U.S. and private equity and venture funds, the Andreessen Horowitz platform has taken advantage of the considerable funding available from global sovereign wealth funds like the Saudi Arabian Public Investment Fund and Singapore's GIC. Unlike autocratic adversaries, the increasing commercial ties and capital interests of countries with controversial histories may prove to be a catalyst for closer partnerships and encourage further alignment with the free market principles of the U.S. and democratic ideals in the future. However, if recent history is instructive, such friendliness is not a substitute for scrutiny and monitoring.

Chinese-related Investors investing in the U.S.

The U.S.-arms of China-based funds, and other affiliate funds, accepting limited partner capital from China and investing in the U.S. include:

Table 3. Chinese-related Funds Investing in the U.S.

Firm	Connection	Select Investments
Cathay Innovation	U.S.-arm of Cathay Capital	Ghost, Bryj, Reebelo, ZenBusiness, 54Gene, Coherent, Skan.ia, LeadIQ
CRCM Ventures	U.S.-arm of ChinaRock Capital Management	Venteur, Portfolia, Tomtex, Inso Biosciences
Hone Capital	U.S.-arm of CSC	CareRev, Zipline, CodeCombat, Albert, Relativity
SOSV	U.S.-arm/parent of HAX/ Chinacclerator	Renovate Robotics, Voyage Foods, Renewell Energy, Lypid, Tomtex
Vertex Ventures HC	U.S.-arm of Vertex Holdings	Allay Therapeutics, Septerna, SpyGlass Pharma, ElevateBio
Wanxiang Healthcare Investments	U.S.-arm of Wanxiang Group	Forward, Teamwork Healthcare, Watershed Health, Carallel
TSVC (fmr. TEEC Angel Fund)	Significant history with Tsinghua University (graduates eligible to invest)	Zeta Surgical, MyShell, Lucid, Cyberdontics, Ridge Security, MyShell, Leadoptik, Angle Health, InfinyOn
Foothill Ventures (fmr. Tsingyuan Ventures)	Significant history with Tsinghua University (graduates eligible to invest)	AM Batteries, Synaptec Health, South 8 Technologies, Zeto, Aether Fuels, Moonsense, DeepHow, InSync
11.2 Capital	U.S.-investor	Noetik, Thea Energy, Kolena, Ventrilo, White Ops, Ginkgo Bioworks
ACME Capital	U.S.-investor	True Anomaly, knode, Conceivable Life Sciences, Flyx Labs
Acorn Pacific Ventures	U.S.-investor	InvisiShield, Socialtrait, Firstshift, Pollen Mobile, Ayla Networks, Nginx, Crown Bioscience
Amino Capital (fmr. zPark Capital)	U.S.-investor	Femtosense, Solve Intelligence, Mooch, Kinesys AI
Focus Ventures	U.S.-investor	Upwork Global, Sojern, Reputation Defender, Dynamic Signal
IPV Capital (fmr. InfoTech Pacific Ventures)	U.S.-investor	Tactus Technology, Rayvio, Abloomy, Amprius Technologies
Makers Fund	U.S-investor	Noodle Cat, Forge, Hyper, Blacktop Hoops, Strider
Pegasus Tech Ventures	U.S.-investor	Imbed Biosciences, Maverick BioMetals, Aillis, Mujin, Birch Biosciences, Turion Space
Translink Capital	U.S.-investor	Burro, Solve Intelligence, Shadeform, Plus One Robotics
Tyche Partners	U.S.-investor	GuRu Wireless, LightForce, Celestial AI, Ayar Labs, Plus One Robotics

Source: Publicly available information and private database research.

As history has shown, many investors in the U.S. sought to take advantage of the lucrative and winner-take-all markets in foreign countries, even if adversarial. The restrictive and corrupt markets of autocratic countries encourage cronyism and, while they may reduce business risk given the ability to prioritize winners and channel advanced, expropriated technology to favored startups, they have elevated political risk that is often unaccounted for in most economic investment models. This political and economic alignment both benefits government-favored startups with nonmarket protections that can produce outsized returns, but also comes with demands on the investors and executives in return for access to such preferential opportunities. As such, in China, wealthy entities, most of whom have some connections to the ruling CCP, benefit simultaneously by having a mechanism to disperse their wealth via such funds while also playing kingmaker for CCP-related, preferred startups that may also receive access to more prized technology by the government. By maintaining their presence in these funds in China and abroad, whether directly or indirectly, these investors continue to seed the next generation of startups competing against democracy's long-term interests.

This also dovetails with particular sectors of risk and opportunity for countries of concern. In our *Sector Specific Review*, we review an area of the investing ecosystem that is often overlooked, but retains significant ties to China, Russia and other regimes: the Videogaming vertical of investing (*See Appendix I*).

U.S.-based Investors investing in China.

Many U.S.-based investors continue to invest in China. These investors, mostly in private equity and venture capital, have even witnessed their China-based counterparts outperform the U.S. entities, and attract more capital funding than their U.S.-patrons. It has been reported, Matrix Partners China now controls and deploys more capital than Matrix Partners' U.S. parent entity. Similarly, Sequoia China/HongShan, the Chinese arm of Sequoia Capital, has seen a greater flow and deployment of assets than Sequoia Capital U.S. or India.

The largest/most well-known funds in the U.S. investing in China:

Table 4. U.S. Funds and their related Technology Investing connections to China and Hong Kong.

Firm	Connection	Select Investments
BlueRun Ventures China/ Lanchi Ventures	China-arm	Powerlaw AI, Agibot, InterHouse (China), QL Biopharm, Bioheng, LeadArt Biotechnologies, Xiaopiu.com, QingCloud, Ganji, PPTV, Guazi, Yi Auto, Nanyan, Li Auto, Qudian, WaterDrop, Energy Monster, Mogujie
DFJ DragonFund China	China-arm	Enzymecode Biotechnology, ClinChoice, Jaya Beijing, Transmension Technology, PPTV, Baidu
HongShan/Sequoia China	China-arm	Full-Life Technologies, Dianxiaomi, Powerlaw AI, Huaxuan Sensing, Tastien, Ant Group, DiDi Global, DianPing.com, Xpeng Motors, Meituan, AutoNavi, Klook Travel, SZ DJI Technology, JD.com
IDG-Accel China	China-arm/JV with IDG Capital	Qiangua Technology, JD Health, Yuewei Medical, TIMEZ, 9158.com, Algolia, Roseonly, BiliBili, DianPing.com, Hainan Shuangcheng Pharmaceuticals, SZ DJI Technology, Meituan, Tencent Holdings, Xpeng Robotics, CreditEase, Baidu
KPCB China/Kleiner Perkins	China-arm/JV with TDF Capital	Zuvi, LuxCreo, InnoStar Semiconductor, SPAX, Rong360, JD.com, SZ DJI Technology, Baidu
Lightspeed China Partners	China-arm	Daisch Intelligent, Rein Gas Equipment, Newmat (Suzhou), Yanyi New Material, Full Truck Alliance, Xpeng Motors, Hesai Technology, DianPing.com, Meituan
Matrix Partners China	China-arm	Powerlaw AI, Ronovo Surgical, Galaxy Jiutian Rocket, Chiplite Technology, RemeGen, Infinigence, Ronbay Lithium Battery, InventisBio, Xpeng Motors, Klook Travel, DiDi Global, Weidian
Playground Global	China-arm	N/A
Plug-and-Play Ventures	China-arm	Beijing Kaiwang Data Technology (Konvery), Beijing Lingao Technology, Dowsure, Powershare, BluePHA, Zhongke Guosheng, Beijing Jushi Smart Technology
Redpoint Ventures China	China-arm	Luying Technology, Enflame Technology, Chiansec, Baichuan AI, Vastai Tech, 360 DigiTech

SIG China/Susquehanna Growth	China-arm	Integle, Insurance Geek, Guoranbot, RestCloud, J&T Express, Weltmeister, XtalPi Technology, Empower Education Online, ByteDance, Musical.Ly
SOSV	China-arm	Zebra Labs, Chekk, Ninetech, Neptune Robotics, Youibot Robotics, Yeelight, OLEAP, Ushopal
8 Roads Ventures/Fidelity Int'l (Corp.)	China-arm	Jiguang, SenseTime, Chime Biologics, Beisen, Tuhu, Ant Group, Meituan
Bertelsmann Asia Investments (Corp.)	China-arm	Black Lake, Blackroom, CarLink, China Net Cloud, Dayima, Deepexi, FxBox, Galixir, Haizhi, HelloBike, Kapbook, KK Mandarin, Lagou Information, Minicake, Mobike, RoboticPlus. AI, Uxin, Zaozuo, Zhdao
3E Bioventures Capital	Cross-border	KingAgroot, Xunyuan Technology, Jingjie Bio, Eluminex Biosciences, BGI Tech, Neural Galaxy
Alumni Ventures	Cross-border	Dark Matter AI, Ymatou, SenseTime, Qihoo 360 Technology, DiDi Global, Yixia.com, Rong360
AME Cloud Ventures	Cross-border	DiDi Global, Terminal (Hong Kong)
ATV/Access Technology Ventures	Cross-border	Ant Group, Ule Network, Alibaba Group, Haoqipei, Tencent Holdings
BITKRAFT Ventures	Cross-border	Blocklords, Directives Games, Kek.tv, SplitmediaLabs
Breyer Capital	Cross-border	Nervos, VeChain, DiDi Global, Xiaomi Technology, Neo Team, CreditEase
BPEA/EQT	Cross-border	Klook Travel, JD Health, JD Industrial Products, Cue & Co, Giant Network, Forest Logistics Products, eHi Auto Services
Cathay Capital	Cross-border	Qiangua Technology, Norchem Pharmaceutical, Avistone Pharmaceuticals Biotechnology, Haidi Energy Technology, JD Logistics, GTA Semiconductor, SVOLT, Missfresh, Pinduoduo
Cherubic Ventures	Cross-border	Onekdrug, Lima Tech, Haibao Technology, Ucommune, LAIX, CCX Credit
ChinaRock Capital/CRCM Ventures	Cross-border	Fastone, Carbonbase, Jiuyouleguang, Mingyi Zhudao, Youku, Allyes ADNetwork, UnitedStack, Musical.Ly
Coatue	Cross-border	DeSleep, Mech-Mind, Xiaopiu.com, Rox Motor, ByteDance, Ant Group, Meituan, DiDi Global, Weidian, Guangzhou Xiaopeng Motors Technology (Xpeng)
DCM Ventures	Cross-border	Fancy Technology, Kuaishou Technology, Sensors Data, Tiamat World, Peidun, ExploMar, Tuniu, Maimai, Musical.Ly
Decent Capital	Cross-border	Wuhan LuoJiaYiYun Optoelectronic Technology, Hongde New Materials, Yunic Technology, Hypershell, XtalPi Technology, Eclicks, Hong Jing Drive, Okawa
Enspire Capital	Cross-border	TangDuo, Jike, Centec

Galaxy Interactive	Cross-border	Nekcom Technologies, rct AI Technology
GGV Capital	Cross-border	Dianxiaomi, Nice Tuan, Ronovo Surgical, Yunmanmanlengyun, MOODLES, Saphlux (China), ByteDance, Full Truck Alliance, Xpeng Motors, Face++, AutoNavi, Musical.Ly, DiDi Global, Ant Group, Alibaba Group
GL Capital Group/GL Ventures	Cross-border	RemGen, Foryou Medical, Sangon Biotech, Haomo Zhixing, BiliBili, Star Sports Medicine, Hisun (China), Sungrow Hydrogen Energy, Enerflow, Agibot, Tachem, China Tower, Taibang Biological Group, Contemporary Amperex Technology, Beijing Oriental Yuhong, SciClone Pharmaceuticals, Shandong Luoxin Pharmaceutical
GSR Capital/GSR Ventures	Cross-border	Xinghaitu Technology, PiPi Bear, Infinigence, LiblibAI, Fiture Technology, Shenwu Technology, Ronbay Lithium Battery, Fresh Orange Technology, DiDi Global
IMO Ventures	Cross-border	Robot Era, Lianlianyouyu, Velotric Bike, NFTEye, Guazi Used Car, XtalPi Technology, AbogenBio, Bota Biosciences
IPV Capital/ InfoTech Pacific Ventures	Cross-border	Semiconductor Manufacturing Electronics Corporation, TRS Microelectronics, Zhongkewenge, Rigger Micro Technologies
Lilly Asia Ventures	Cross-border	Easy-Flow Medtech, Sperogenix Therapeutics, Ronovo Surgical, Peixin Technology, AbogenBio, CARsgen Therapeutics, KeyMed Biosciences, RemeGen
Makers Fund	Cross-border	Xixiang Ecological Chain Collection, Blocklords, MEW, rct AI Technologies
MarketX	Cross-border	ByteDance, Meituan
Next Legacy Management	Cross-border	ByteDance (via precursor, Next Play Capital)
Octagon Capital	Cross-border	Alebund Pharmaceuticals, MicroTech Medical, AbogenBio, HeartCare Medical, RemeGen, I-Mab Biopharma, KeyMed Biosciences
OrbiMed	Cross-border	Norchem Pharmaceutical, Sirius Therapeutics, Epigenic, Gracell, Luye Pharma Group, Yidu Technology, RemeGen, Simcere Pharmaceutical
Qiming Venture Partners	Cross-border	Nice Tuan, ChemLex, Supermag Motor, ACXEL, Prcxi, BiliBili, Meituan, ByteDance, Ailomics Therapeutics, DianPing.com, Musical.Ly
Sinovation Ventures	Cross-border	ChemLex, Silicon Dynamic Technology, Daily gg, AutoAgents.ai, Ant Group, Yonghui Superstores, Face++, MediTrust Health
TCV/Technology Crossover Ventures	Cross-border	ByteDance, Klook Travel, Renren Technologies
Translink Capital	Cross-border	Lingsi Micro, B+ Group, Hong Jing Drive, UBiAi Technology

Trustbridge Partners	Cross-border	Speedaf Express, The Beast, Rogrand, Xueba100, Unisound, Crystal Orange, AllinMD, Qihoo 360 Tech, Meican, Yitiao, DXY, Longre, Meituan, 51CTO, Didi Global, Meihua, Jiahui Health
Vertex Holdings	Cross-border	JiuZhi Tech, Evolusia, Long Sailing Semiconductors, EasyMove (China), EdgeMedical, Semidrive, Geek+, RecBio, Phoenix Healthcare Group
Vivo Capital	Cross-border	Ronovo Surgical, RemeGen, Gracell, New Frontier Health, Avistone Pharmaceuticals Biotechnology, Wanmei Interactive
Walden International	Cross-border	Aluksen International, Beijing Rayboch Technology, Cmind-Semi, Weifa Electronic Technology, Cimo Microelectronics, LE Gaga Holdings, Meituan, AutoNavi, SZ DJI Technology
We Capital	Cross-border	ETCP, Bangcle, Chicken Inside Coconut, Sinostage, DianPing.com, Meituan, Qihoo 360 Technology, BiliBili
B Capital Group	Investor	Aurora Yaocheng, Cloudwise, Geek+, HiFiBio Therapeutics, Insilico Medicine, LinkMore, MediTrust Health, ProfoundBio; Tuhu.CN, Xingyun Group, Yuanxinjituan, Kezaihui
Bessemer Ventures	Investor	Klook Travel, Sensors Data, Bokee, ChinaEdu
Dragoneer Investment Group	Investor	Nice Tuan, Guazi Used Car, ByteDance, Shanghai Yunli Info Tech, Ant Group, Alibaba Group
Farallon Capital Management	Investor	Full Truck Alliance, Youku, Meituan Bike, Zentera Therapeutics, LianBio, E-House, Heidi Coast Advertising, AdsIt, Sohu
Foothills Ventures/Tsingyuan Ventures	Investor	Mikoptik, IntEngine, Axbio, WeRide, eCreditPal, 4B Technologies, Guangzhou Yichenyun Healthcare Technology, Neural Galaxy
General Atlantic	Investor	Beijing Dream Plus Information, CANbridge Life Sciences, LePure Biotech, Harmay, Ant Group, ByteDance, Meituan, AutoNavi, eLong, Alibaba Group
Greylock Partners	Investor/LP	MechaniX, Musical.Ly, GrowingIO, Huoli Tianhu, Hoolai Game Technologies
Mayfield Fund	Investor/JV with GSR Ventures	Next Entertainment, Lattice Power, Baihe.com, ShineOn, Baihe.com, Qunar.com
New Enterprise Associates (NEA)	Investor/LP	InCarey, Simple Psychology, Gushengtang Holdings, Blue Ocean Smart System, DiDi Global, ByteDance, Zuoyebang, Weidian
Oak Investment Partners	Investor/JV with GSR Ventures	B5Msoft, SunSun Lightning, Gshopper, Semiconductor Manufacturing International, Allyes ADNetwork, Digital Media Group, Lingtu, VisionChina Media Inc.
Oaktree Capital Management	Investor	Hangzhou Kangji Medical Instruments, JW Therapeutics, China Cinda AM, Studio City International Holdings

Tiger Global	Investor	Xihuang Technology, NowCoder, WATI.io, BiliBili, Dianxiaomi, Zuoyebang, JD Health, ByteDance, Meituan, DiDi Global, Weidian, Alibaba Group, JD.com
TSVC	Investor	Bot Orange, eCreditPal, Kolo Medical, iLabService, JuziBot Technology Co., Palmap Intelligence Co.
AMD Ventures (Corp.)	Investor	DeePhi Tech
Applied Ventures (Corp.)	Investor	Spectrum Materials, Halation Photonics, SolidEnergy Systems
Cisco Investments (Corp.)	Investor	ZEEKR Automobile, Huaqin Technology, 4Paradigm, Kyligence, City Cloud International, Unisplendour Corp, Sky-Tech Holdings, UNISOC
Intel Capital (Corp.)	Investor	AI-LINK, North Ocean Photonics, Capcon (China), Unisplendour Corp, ZEEKR Automobile, Huaqin Technology, IC Bench, Sunlune, Beijing ICETech Science & Tech, Beijing Yijing Tech, UNISOC
Samsung Ventures (Corp.)	Investor	AI Micron, YoYi Media Interactive Advertising, Jade Bird Display, SmartSens Technology, ClouDr., SmartX, PhotonIC Technologies
Qualcomm Ventures (Corp.)	Investor	Beijing Shenmu Technology, Suzhou Changxhing Zhijia Automobile Technology, Haomo Zhixing, SageRAN Network Technology, 7Invensun Technology, YOUNGZONE, Zerotech, A123 Systems, Giant Network, Sichuan Great Wall Software

Source: Publicly available information and private database research.

As the data reveals, for years, many of the most well-known, U.S.-based funds have viewed China-based investments as too enticing to resist, resulting in one of the four common situations: U.S. funds create Chinese-based captive arms, establish a joint venture partnership with a Chinese-based fund, invest directly in Chinese-funds as a fund-of-fund, or simply invest directly in China.

U.S.-based and Global Asset Managers.

The largest asset managers residing in the U.S. and around the globe are often affiliated with global commercial and investment banks. Given these managers diverse banking client base, wealth management is a core element of most financial conglomerates. As such, many have cultivated a broad ultra-high net worth client base in China, and actively engage, and benefit from, their significant Chinese-related connections and investment relationships. However, far too few have taken demonstrable steps to reduce such linkages despite the alarming state of future geopolitics. This list includes nearly all major financial firms in the U.S. and many major hedge funds and private equity investors.

The largest/most asset managers and affiliates accepting capital from Chinese limited partners:

Table 5. U.S. and Global Investors Actively Engaged in China and Hong Kong.

Asset Managers	Asset Managers (Cont.'d)
Aberdeen Standard Investments	HSBC Asset Management
Accolade Partners	Iconiq Capital
Adams Street Partners	Industry Ventures
Advent International	J.P. Morgan Asset Management
AllianceBernstein	KKR
AlpInvest Partners	LGT Capital Partners
Ardian	Lexington Partners
Ares Management	Morgan Stanley Private Equity Asia
Axiom Asia Private Capital	Neuberger Berman Asset Management
Baillie Gifford	Oaktree Capital Management
Bain Capital	Octagon Capital Partners
BlackRock	Oppenheimer & Co.
Blackstone	Pantheon Ventures
Capital Group Private Markets	Partners Group
The Carlyle Group	Pathway Capital Management
Citi Investment Management	Peakview Capital
Charles Schwab	Portfolio Advisors
Coller Capital	Providence Equity Partners
Commonfund	RBC Global Asset Management
CVC Capital Partners	Schroders Capital
Darwin Ventures	State Street Global Advisors

D.E. Shaw Group	StepStone Group
Fidelity Investments	T. Rowe Price
Fort Washington Investment Advisors	TA Associates
Franklin Templeton	TPG Newbridge
GCM Grosvenor	Top Tier Capital Partners
Goldman Sachs Asset Management	TrueBridge Capital Partners
Greenspring Associates	Trustbridge Partners
Hamilton Lane	UBS Asset Management
HarbourVest Partners	Vanguard
Horsley Bridge Partners	Warburg Pincus

Source: Publicly available information and private database research.

As our data illustrates, it has been not only the private equity and venture capital funds that have accepted capital from China but also the asset and investment managers. These banking and financial conglomerates have benefitted dramatically from having client capital from China and other foreign adversaries. While a re-evaluation of such ties has been occurring given the geopolitical tensions, these are often the same entities leading political campaigns against greater financial restrictions on China in an attempt to preserve the optionality if, and when, the intensity of mainstream attention dissipates, and the region cycles and regains the favor of global investors, risking the return of a cycle that has proven catastrophic for U.S. technological superiority and global democracy.

In our *Asset Specific Review*, we look at an overlooked area of finance with significant ties to geopolitical events and an opportunity for more principled leadership: The Fund of Fund and Secondary Fund investing area (*See Appendix 2*).

Chinese Investors amd Asset Managers.

Some of the largest asset managers in China simultaneously have significant stakes in U.S. assets, from agricultural farmland and larger infrastructure assets to technology and entertainment.

A select few of the largest funds in China that have made investments and acquired assets in the U.S., across private conglomerates as well as state-related or controlled entities.

Table 6. Chinese-based Funds and Investors with Documented U.S. Investments in the U.S.

Firm	Investments
Alibaba Group	Auctiva.com, Vendio Services, Magic Leap, ShopRunner, Tangome, eApeiron Solutions, PlaceIQ Inc, Kabam
Anbang Insurance Group	Waldorf Astoria, Blackstone Group, Strategic Hotels & Resorts
Ant Financial Services Group	Anyscale, Klarna, TigerGraph, V-Key, XLKH, ZOLOZ
Baidu Inc.	Butterfly Interaction, Cloudflare, KITT.AI, TigerGraph, Uber, Vesper Technologies
Bank of China	Edda Technology, World Kitchen
China International Capital Corporation (CICC)	Techwell, PingPong, Mobicom, LanzaTech
China Investment Corporation (CIC)	General Growth Properties, Blackstone, 1221 Avenue of the Americas, Diamond S. Management
China Life Insurance	Industrial Income Trust, Starwood Capital Group, 200 U.S. warehouses, Uber
China National Offshore Oil Corporation (CNOOC)	Mattox Pipeline Company, TechnipFMC
China Sinopec (China Petrochemical & Chemical Corporation)	Chesapeake Energy, Oil & Gas Assets (Mississippi Lime), Oil & Gas Assets representing five new wells, First International Oil
CITIC Limited (formerly China International Trust Investment Corporation)/CITI Group Corporation e.g. CITI Pacific	Patsnap, X-Epic, Cirque, Shenzhen Aist Technology, Hydrogen Energy Tomorrow, Compania de Telecomnicacoes de Macau, Linx Telecommunication, Acclivis
Dalian Wanda Group	Legendary Entertainment, American Multi-Cinema, Ironman, Fmr. Robinsons-May Department Store
Fosun International	Ironshore, Studio 8, One Chase Manhattan Plaza, AmeriTrust Group

Haier Group Company	Sencity, WiTricity
HNA Group	Hilton Worldwide Holdings, 245 Park Avenue, HNA Group (Manhattan HQ building in NYC), RocketSpace
Industrial and Commercial Bank of China (ICBC)	Fortis Securities
Lenovo Group	International Business Machines, Personal Computer Business, Meta, Motorola Mobility, Sensei
Midea Group	Electrolux Home Care Products, SoundHound AI
New Hope Investment Group	Flexiv
Qingdao Haier	GE Appliances Caribbean, Roper Corporation
Shanghai Municipal Investment	520 Fifth Avenue, Central Park Tower
Sinochem	Pioneer Natural Resources
Tencent Holdings	AOA Dx, Ark.com, Bad Robot Games, Epic Games, NorthOne, Full Truck Alliance
Wanxiang Group	Global Steering Systems, Karma Automotive, ORX Exploration, Neapco
WH Group (formerly Shuanghui International Holdings)	Smithfield Foods
WuXi PharmaTech	Abgent, ApoGen Biotechnologies, NextCODE Health, XenoBiotic Laboratories

Source: Publicly available information and private database research, with specific credit to The Citizen.org, https://www.citizen.org/article/chinese-investment-in-the-united-states-database/

Finally, as China has increasingly become globally competitive, and superior in many technologies, U.S. limited partners have sought access to the best investments in China, including numerous prominent U.S. Pension Funds, U.S. University Endowments, and Nonprofits/Foundations. And in turn, many funds actively engaged with China, capitulating to pressure as required for access, influence and information in the U.S. in return for preferential access to the Chinese investment market, as our report indicates. These Institutional Investors have become essential, and often willing pawns in the lucrative but corrupt practices of autocratic regimes, thereby permitting the ancillary knowledge-sharing and escape of sensitive information that has functioned as a channel — and windfall — advancing the innovation of foreign adversaries.

INAUGURAL RANKING OF TOP VCS FUNDING DEMOCRACY

Top Ranked Venture Investors.

In contrast to the Midas List, Future Union has created an exclusive list of the top principled investors, those who do not have ties to capital from countries of concern. In rule of law democracies, investors have a responsibility to maintain and preserve principled free and fair markets, which is not possible when the rule of law is subjugated in favor of government intervention or state interests that supersede private investments and ownership. This eliminates countries like China, where the National Privacy Law affords the state unfettered access to all data and proprietary information, and other autocratic countries in which arbitrary regulatory enforcement tends to reward corruption and cultivate favoritism. As has become evident to every executive, the private sector in China is a nullity, and claims of openness, accountability, and fidelity to law is a propagandized charade. The goal of our previously released, "*Intrepid Report*" was to identify and highlight the executives, fund managers, and leaders that adhere to, and uphold, democratic principles. Our ranking is designed to highlight the top venture investors, chiefly by investments combined with each specific sectors' importance to furthering democratic values, and absent the affiliation of China and other rogue, adversarial regimes.

While the Forbes/TrueBridge Capital ranks top venture capitalists by deals and across regions, our view is that any investors being judged by investment performance in adversarial, autocratic countries should be disqualified from rankings founded on free markets and accountability. These investors should be indelible for accolades as they do not operate under the auspices the same as free market investors when aligning with foreign foes undermining a free market system. Similarly, the gauge for what constitutes success, in an artificially constructed, politically captive system is not the same as in a free, market-based competitive proving ground, in which investors can be fairly measured and success ascertained. As beneficiaries of a free market, capitalistic ecosystem, all investors have a duty to counter regimes that would undermine the global system of accountability. That ceases to be possible when the rule of law is secondary to state intervention under codes like China's National Privacy Law.

We have developed a robust methodology ranking the top venture investors who share our mission of supporting the free and fair markets against autocratic states. Thus, Future Union is proud to highlight the inaugural members of the *Intrepid List* of top venture capital investors investing in support of democracy.

We have developed a robust methodology ranking the top venture investors who share our mission of supporting the free and fair markets against autocratic states. Thus, Future Union is proud to highlight the inaugural members of the *Intrepid List* of top venture capital investors investing in support of democracy.

In launching the *Intrepid List* of top venture investors in the broader technology and defense space ("defensetech"), we used a combined quantitative and qualitative hybrid scoring system to rank individuals, and firms, based on their work in promoting and preserving democracy. We combined this with their legacy track record of investment performance across the broad number of sectors comprising alternative energy, artificial intelligence, autonomous systems, biotechnology, cybersecurity, nextgen materials, quantum computing, robotics, semiconductors, space and, in certain cases, other variants related to the national interest.

In creating this ranking, we looked at sectors at the edge of technology and poised to set the future of geopolitics. We took into account the date of deals in the evaluation, attempting to separate historic defensetech investors from more recent investors. While numerous funds have transitioned into defensetech following Russia's unlawful invasion of Ukraine, we gave greater weight to the durable investors that have been consistently investing in such areas. Thus, we have attempted to be more cautious of new entrants, many of whom have previously dismissed the category as niche due to the fact that these startup investments often include an element of hardware, which diverges from the traditional software as a service business models that many funds have preferred and become accustomed. In creating this list, we tried to mitigate the risk of industry elements attempting to "greenwash" patriotism with statements of interest where companies' make marketing statements of dubious truth in order to garner publicity but absent real action. As such we have attempted to keep the industry from becoming a "red-white-and-blue-washed" quagmire similar to recent virtue signaling in the financial markets. However, we fully expect the newer funds and investors investing in technology critical to national security mandates to separate themselves from the broader subset and join this list in subsequent rankings.

We have intentionally excluded as ineligible the individuals, funds and firms that have documented connections and investments in countries of concern like China. Unlike the cross-border 2023 Midas List, we focus on the people and teams that are advancing America's interest through explicit action, as well as investment and directly supporting startups that are competing to preserve democracy against existing and emerging threats.

Table 7. Future Union's Intrepid List of Top Investors in Defensetech and Supporting Democracy.

Future Union's *Intrepid List.*				
Rank	**Name**	**Firm**	**Notable Deals**	**Headquarters**
1	Gilman Louie	Americas Frontier Fund	ZeroFox, LookingGlass Cyber Solutions, RunSafe Security	San Francisco, CA
2	Josh Wolfe	Lux Capital	Anduril, Varda, Impulse Space, Kymeta, Siluria, Cambrios	New York, NY
3	Eric Schmidt	Innovation Endeavors/ Schmidt Futures	NewLimit, Samaya, Stairwell, Sardine, SandboxAQ	New York, NY
4	Peter Thiel	Founders Fund	Anduril, Quantum-Systems, Hermeus, Regent, Helion, HySpecIQ	San Francisco, CA
5	Steve Bowsher	In-Q-Tel	N/A	Menlo Park, CA
6	Bilal Zuberi	Lux Capital	Anduril, Varda, Impulse Space, Kymeta, Siluria, Cambrios	Menlo Park, CA
7	Trae Stephens	Founders Fund	Anduril, Varda, Impulse Space, Resilience, Senra Systems	San Francisco, CA
8	Marc Andreessen	Andreessen Horowitz	SpaceX, Okta, SkySafe, Hadrian, Okta	San Francisco, CA
9	Chris Darby	Cerberus Capital	N/A	New York, NY
10	Alberto Yépez	Forgepoint Capital	AlienVault, Huntress, Interos, Ermetic, 1Kosmos	San Mateo, CA
11	Nick Beim	Venrock	Rebellion Defense, Interos, Percepient AI	New York, NY
12	Vinod Khosla	Khosla Ventures	Adyton, Emancro, Nova Labs, NextVivo, Verdagy	Menlo Park, CA
13	Nick Sinai	Insight Partners	HawkEye 360, Rebellion Defense, LeoLabs, BrightBytes	New York, NY

14	Keith Rabois	Founders Fund	Faire, ThoughtSpot, Ghost Autonomy, Palantir Technologies	Miami, FL
15	Donald Dixon	Forgepoint Capital	CyberCube, SPHERE, Surefire Cyber, IronNet, PerspecSys	San Mateo, CA
16	Katherine Boyle	Andreessen Horowitz	SpaceX, Anduril, SkySafe, Hadrian, Castelion, Radiant	San Francisco, CA
17	Jeff Horing	Insight Partners	Corelight, Armis, Darktrace, New Relic, Wiz, Builder AI, DataSift	New York, NY
18	Robert Nelsen	ARCH Venture Partners	Colossal Biosciences, Gameto, Ligandal, Resilience, Mighty AI	Chicago, IL
19	Richard Seewald	Evolution Equity Partners	Torque, Artic Wolf, Talon Cyber, SecurityScorecard, Pentera	New York, NY
20	Bob Ackerman, Jr.	AllegisCyber Capital	Shape Security, Source Defense, Vicarious, Dragos, E8 Security	Palo Alto, CA
21	Matt Bigge	Crosslink Capital	Picnic, Britive, Revelstoke, Inpher, Bolster	Los Gatos, CA
22	Dror Berman	Innovation Endeavors	Atom Computing, Gatik, Fabric, Viz AI, GRO Biosciences, Claroty	San Francisco, CA
23	Delian Asparouhov	Founders Fund	Giraffe360, Built Robotics, Cover, Vana, Hadrian, Orbiit	Miami, FL
24	David Ulevitch	Andreessen Horowitz	Anduril, Flock Safety, Census, Castelion, Radiant	Menlo Park, CA
25	Alex Doll	Ten Eleven Ventures	Fivecast, Eclypsium, Darktrace, Barracuda Networks, Immuta	San Francisco, CA
26	Ted Schlein	Ballistic Ventures	Oligo Security, ArmorCode, Second Front Systems, Rebellion Defense	Menlo Park, CA
27	Hemant Taneja	General Catalyst	Fourier Earth, Anduril, MySun, Modular Wind Energy, Stion	Palo Alto, CA
28	Promod Haque	Norwest Venture Partners	SlashNext, Prevedere, Session AI, Brite Semiconductor	Palo Alto, CA
29	Ben Horowitz	Andreessen Horowitz	SpaceX, SkySafe, Hadrian, Databricks, Tanium, Okta	Palo Alto, CA
30	Ariel Tseitlin	Scale Venture Partners	CyberGRX, Expel, AppOmni, Upsolver, BigID, Perimeter X, Agari	Foster City, CA
31	Raj Shah	Shield Capital	HawkEye 360, Vannevar Labs, Albedo, Overwatch Imaging	San Francisco, CA
32	Yoav Leitersdorf	YL Ventures	Gutsy, Orca Security, Midigate, Axonius, Cycode	Mill Valley, CA
33	Gili Raanan	Cyberstarts	Trustmi, Savvy, Wiz, Island, Bionic, Axis Security, Fireblocks	Mikhmoret, ISRL.
34	Mark Hatfield	Ten Eleven Ventures	Darktrace, Cado, Interpres Security, Corsha, ReliaQuest	Boston, MA
35	Joe Lonsdale	8VC	Chaos, Anduril, Second Front Systems	Austin, TX

36	Dan Gwak	Point72 Ventures	Shield AI, Vannevar Labs, Stoke Space, ActZero, Agio	New York, NY
37	Ethan Batraski	Venrock	Tembo, Dgraph, Meltano, Astronomer, Decodable	Palo Alto, CA
38	Mark Spoto	Razor's Edge Ventures	X-Bow, BlackSky, Ursa Space, HawkEye 360, 908 Devices	Reston, VA
39	Dave DeWalt	NightDragon	HawkEye 360, RapidSOS, ThriveDx, Immuta, Interos, Human Security	Palo Alto, CA
40	Ed Sim	Boldstart Ventures	Protect AI, Snyk, SecurityScorecard, FortressIQ, HYPR, BigID	Miami, FL
41	Dharmesh Thakker	Battery Ventures	InfluxData, Arize, Normalyze, Galileo, Arize	Boston, MA
42	Gregory Sands	Costanoa Ventures	Vannevar Labs, Alation, SGNL, StackHawk, Aquabyte	Palo Alto, CA
43	Brian Singerman	Founders Fund	Anduril, Datavant, Forward, Radius Intelligence, Prosper Daily	San Francisco, CA
44	Chris Dixon	Andreessen Horowitz	SpaceX, SkySafe, Hadrian, Airware, DFINITY	San Francisco, CA
45	Alex Moore	8VC	Spartan Radar, Epirus, Invisible AI	Austin, TX
46	Mike Brown	Shield Capital	HawkEye 360, Vannevar Labs, Albedo, Overwatch Imaging	San Francisco, CA
47	George Hoyem	In-Q-Tel	N/A	San Francisco, CA
48	Greg Castle	Anorak Ventures	Onebrief, Anduril, Catalog, Polimorphic, WasteHero	San Francisco, CA
49	Mike Graninger	Sands Capital Ventures	ArcSight, Keyhole, CleverSafe, Vesper, DataRobot	Arlington, VA
50	Steve Herrod	General Catalyst	Datto, Illumio, Menlo Security, Contrast Security	San Francisco, CA
51	Brian Smith	In-Q-Tel	N/A	London, GBR.
52	Lior Susan	Eclipse Ventures	True Anomaly, Skyryse, Flex Logix, Bright Machines, Swift Navigations	Palo Alto, CA
53	Mike Palank	MaC Venture Capital	Galvanick, Ox, Tactyc, Flyby Robotics, Avala	Los Angeles, CA
54	Tom Gillespie	In-Q-Tel	N/A	Washington, DC
55	Elad Gil	Elad Gil Investments	Applied Intuition, Neon, Anduril, Contextual AI, Material Security	San Francisco, CA
56	Martin Casado	Andreessen Horowitz	Tabular, Astranis, Clerk, SecurityPal, Coactive, Isovalent	San Francisco, CA
57	Kelly Perdew	Moonshots Capital	RED 6, ID.me, Transmute, Gretel AI, SGNL, Harvest AI	Marina del Rey, CA
58	Mark Suster	Upfront Ventures	MakeSpace, Tact AI, Sonic Energy, Denisity, VADE	Los Angeles, CA

59	James Cross	Franklin Venture Partners	Tanium, Lark Technologies, Essential AI	San Mateo, CA
60	Nadav Zafrir	Team8 Ventures	Ox Security, Claroty, VisibleRisk, Talon Cyber Security, Curv	New York, NY
61	Ross Fubini	XYZ Ventures	Palantir, Anduril, Verkada, Apex, Air Space Intelligence, Turbine One	San Francisco, CA
62	André Pienaar	C5 Capital	Cassava Technology, Blue Cedar, Panoply, Ionir, Haven Cyber	London, GBR.
63	Paul Kwan	General Catalyst	Helsing, Anduril, Vannevar Labs, Resilience, Awardco	Boston, MA
64	Andrew McCormack	Valar Ventures	Chaos, UpGuard, Octane, Link, Parker	New York, NY
65	Brad Harrison	Scout Ventures	Voyager Space, LoneStar, BioFlyt, DeepSig, Zeno	Austin, TX
66	Satya Patel	Homebrew	Shield AI, Masterful AI, PulseData AI, BrightEdge, Lumi	San Francisco, CA
67	Andrew Scott	7percent Ventures	AeroVolt, Atreides, Challau, Gigamine, LGN Innovations	London, GBR.
68	Peter Hebert	Lux Capital	Delphi, Mythic, Survios, Flex Logix, Ripcord, SiBEAM	San Francisco, CA
69	Semil Shah	Haystack	SkySafe, Saildrone, Iris Automation, Cobalt, Silo, Awake Security	Mill Valley, CA
70	Teddie Wardi	Insight Partners	Detectify, Semperis, Corelight, Dataiku, Armis, SentinelOne	New York, NY
71	Mike Volpi	Index Ventures	Scale AI, Delinea, Clumio, Gremlin, Skyport Systems, Lookout	London, GBR.
72	Chad Anderson	Space Capital	Kayhan Space, Kognitive Network, ALL.SPACE, Rendered AI, Krucial	New York, NY
73	Shahin Farshchi	Lux Capital	Delphi, Mythic, Survios, Flex Logix, Impulse Space	San Francisco, CA
74	Aydin Senkut	Felicis	Semgrep, Tines, Verkada, Vannevar Labs, Dedrone, Vicarious	San Francisco, CA
75	Thomas Tull	US Innovative Technology Fund	Anduril, Capella Space, Shield AI	Pittsburgh, PA
76	Topher Conway	SV Angel	Applied Intuition, Epirus, Boom, Flock Safety, Tecton, Ironclad	San Francisco, CA
77	Geoff Lewis	BEDROCK	Anduril, OpenAI, Flock, Mach Industries, Epirus, Arkham	New York, NY
78	Lachy Groom	Weekend Fund	Vital Bio, Volt AI, Config, Humane, Anduril	San Francisco, CA
79	Shardul Shah	Index Ventures	Wiz, Expel, Indent, Dazz, AttackIQ, ReclaimAI, Datatdog	London, GBR.

80	Justin Fishner-Wolfson	137 Ventures	Hadrian, Anduril, Palantir, HyperLoop One	San Francisco, CA
81	Will Porteous	RRE Ventures	Ursa Space, Nanit, Spire, Understory, Spaceflight Industries	New York, NY
82	Stephen Rodriguez	Refinery Ventures	Edgybees, Ursa Major Technologies, Zignal Labs	Cincinnati, OH
83	Niki Pezeshki	Felicis	SentiLink, FarmWise, Crusoe, Explo, dNovo, Kandji	Menlo Park, CA
84	Ian Rountree	Cantos Ventures	Venus Aerospace, Sixfold Bioscience, Atomos, Skyryse	San Francisco, CA
85	Kyle Harrison	Contrary Capital	Modern Intelligence, ARC, Anduril, Pave, OneSchema, Ramp	San Francisco, CA
86	Michelle Volz	Andreessen Horowitz	Aerodome, Castelion, Radiant, Prepared	New York, NY
87	David Sacks	Craft Ventures	Trellis, Loft Dynamics, Equals, Vendr, Woflow	San Francisco, CA
88	Leo Polovets	Susa Ventures	Placer AI, AppZen, Casetext, DataFox, Creator, Modelbit	Miami, FL
89	Chris Steed	Paladin Capital	Ursa Space, Elliptic, Nisos, Cofense, Panaseer	Washington, DC
90	Brian Schettler	AEI HorizonX	Shift5, RED 6, Frontier Aerospace, Second Front Systems	Boca Raton, FL
91	Tim Guleri	Sierra Ventures	Shape Security, Balto, Phenom, Sourcefire, Agent IQ	San Francisco, CA
92	Larsen Jensen	Harpoon Ventures	Astranis, Material Security, Confluera, Semgrep, Solugen	San Diego, CA
93	Craig Cummings	Moonshots Capital	Outpost Space, Proteus Space, Zabo, Really Communications	Austin, TX
94	Venky Ganesan	Menlo Ventures	Abnormal, Obsidian, Cequence Security, Palo Alto Networks	Menlo Park, CA
95	Mike Maples, Jr.	Floodgate	Okta, OhmConnectt, TextIQ, KeepSafe, Dasient	San Francisco, CA
96	Scott Frederick	Sands Capital Ventures	Credo AI, SafeBreach, pgEdge, Secure Software	Arlington, VA
97	Bill Bartee	Main Sequence Ventures	Castlepoint Systems, Emesent, Kasada, Lumachain, Loam Bio	Sydney, AUS.
98	Erik Torenberg	Village Global	Scale AI, Applied Intuition, Crossbeam, Flexport, Secureframe	San Francisco, CA
99	Nathan Benaich	Air Street Capital	Lambda Automata, Sereact, Enveda Biosciences, Coram AI, Samaya	London, GBR.
100	Peter Fenton	Benchmark	RoboCorp, Cockroach Labs, Digits, Airtable, Zuora, Pentaho	San Francisco, CA

SUMMARY OF POLICY RECOMMENDATIONS

In reviewing the ways in which government policy can promote and protect democracy, we devised a number of proposals for U.S. elected officials and policymakers. Some of these proposals overlap with excellent suggestions released by the bipartisan China Select Committee, the U.S.-China Economic Security Review Commission, and the Department of Defense's National Defense Industrial Strategy, among other working groups. Other proposed suggestions were intended for policymakers and meant to expand the boundaries of what might be feasible for execution and provoke greater debate.

Overview.

Set forth below are the highlights of our recommendations for stronger policy stances (a more complete and comprehensive reporting is available and can be furnished upon request as an *Addendum* to the *Rubicon Report*):

- SEC-required "democracy section" detailing corporate linkages in adversarial countries, for public issuers as well as private investors (for example, extending Form D filings required for private issuers to include a breakout of such details in their filing) and, as a variant to requirements typically directed at direct private investor disclosures, adapted new disclosure requirements specifically for Secondary and Fund of Funds private fund offerings that may have limited partners from countries of concern.
- SEC-required detailing of corporate supply chains connected to adversarial countries in filings.
- Congress- and/or White House- mandated federal restrictions on investments by public pension funds and public university endowments into countries of concern, in concert with state legislatures. This would also include limitations on funding selections made by private pensions/corporate pensions and private university endowments not subject to federal restriction.
- CFIUS-related expanded scope of review to include passive investments and greater scrutiny of asset and real property transactions, including agricultural land purchases.
- Single point-of-call, comprehensive database harmonizing the numerous Treasury, Commerce, and Defense lists criteria for entities of concern into an encompassing, single publicly available entity lists of entities restricted from investments and other products broken out by type. Additionally, an elevated private-level, eyes-only tracking list of suspicious entities available for select individuals with a greater need to know e.g. select corporate executives and/or security personnel without clearances but within sectors of heightened sensitivities.
- SEC-mandated, more intrusive process of review and shifting greater burdens of responsibility to investors in Know-Your-Customer and Anti-Money Laundering inquiry regimes.
- CFIUS-expansion of authority to more clearly restrict intellectual property transfer in bankruptcy situations involving sensitive technology. This would include broader CFIUS authority to close the loophole of bankruptcy in which it lacks the discretion to review asset/IP sales prior to and/or outside of the final adjudication and judgment of bankruptcy processes.
- Augmenting and expanding the DoD's OSC to include oversight-related scope and tracking of capital funding, as well as a "look-back" feature to determine and distinguish capital origins for a 5-year period.
- Create a DoD's OSC that has authorization to create a "sweetening" element to funding that permits investments to gain a non dilutive, equity kicker subsidy funding if certain specific guidelines are met.
- Congress- and/or White House-mandated divestment by all limited partners of stakes in countries of concern.

- IRS-related tax benefit for funds that selectively elect a voluntary, heightened vetting process and greater disclosure as well as rebuffing capital from countries of concern to be eligible for enhanced tax treatment, as determined by the White House or Congress.
- From DoD's OSC or another agency, a "make-whole" element for funds that are frozen or voluntarily relinquish capital from countries of concern, to ensure lending continues and invested capital continues to be available for risk-weighted, entrepreneurial pursuits.
- From DoD's OSC or another agency, a government-related entity that purchases stakes of startups saddled with legacy capital from countries of concern, partnering with private sector investors.
- A new private-public process that safeguards knowledge-transfer from the investor class that involves an enhanced vetting and mutual sharing process.

DATA AND ANALYSIS

The reality is that democracy is in a competition with a contradictory and incompatible system. The clash between two different systems: one based on the rule of law and democracy, and the other largely illustrated by China, which has laws against privacy and contrary to preserving the mutuality and assent of bargaining and adherence to the rules of contracting. In China, the National Privacy Law explicitly requires the sharing of information and data requested by the state, allowing the state to extract any personal information deemed relevant towards a broad definition of national security. In effect, there is no separation between the private sector and the state. China intercepts valuable innovation alongside forced technology transfer, also conducting outright cyberhacking. Compounding this challenge is U.S. capital funding to China, which is then subsequently used to finance Chinese-startups often using intellectual property siphoned from the U.S. and other countries.

A. U.S. PUBLIC PENSION FUNDS.

Overall Trends.

There are an astonishing number of U.S. Public Pension Funds that have been fueling the growth of China over the last few years. From the investments they have made in Chinese-based entities, these investors have provided means necessary for technical innovation in China. The broad U.S. system has inadvertently shared — or, in a system designed to encourage open sharing and uphold fair use publishing, voluntarily relinquished — a disturbing amount of valuable intellectual property to China. Yet it is the willful investment in a state actively undermining the free market system that has been the greatest culprit in enabling China to become the "pacing" technology leader in many technology areas, while equally advanced in sophistication as the U.S. and its allies in numerous sectors.

PENSIONS

We compared the timelines of investment, recognizing that the conduct of autocratic China has been well-known and documented for years, especially the past 36-month period. One element that was uncovered was the magnitude of funding coming from the U.S. capital markets, especially over the past 36-month period, which served as an arbitrary period selected to undermine any plausible deniability of the active infiltration and undermining of our capital markets by China, among other states. As our research indicates, 4 of the largest U.S. Public Pensions have invested in China in the last few months. In the past 12-month period, 24 Chinese-related investments have been made all of which result in directly supporting the advancement of China. California Public Employees Retirement System (CalPERS) has invested more than $1.8 billion into China in the last 36-month period, amounting to an astonishing 24% of the total of CalPERS $7.8 billion in aggregate invested in China over the years. The latest investment in a China-based fund was in 2023. Similarly, the California State Teachers Retirement System (CalSTRS) has shown little reticence in funding Chinese startups with more than $5.6 billion invested in China-based or China-focused funds, $1.3 billion of which was invested in the last 36-month period (24% of the aggregate total investment allocation).

While investing less overall, the New York State Teachers' Retirement System (NYSTRS) has aggregate investments of $3.1 billion committed to China-related funds, with 25%, or more than $775 million, committed in the past 36-month period. The New York State Common Retirement Fund (NYSCRF) has committed more than $8.3 billion to China-led funds, with 42% committed in the past 36-month period, or $3.5 billion. The Teachers Retirement System of Texas (TXRS) has invested more than $2.7 billion of assets into China-related funds, with the last 36-month period witnessing commitments amounting to 23% of its total allocation, or $625 million of aggregate investments, the latest in the past 12-month period. However, it made recent public statements that it intends to reduce future commitments by one-half.

The Washington State Investment Board (WSIB) has committed more than $5.0 billion to China-related funds, with at least one-fifth occurring in the past 36-month period.

The Minnesota State Board of Investment (MSBI) has been a notable Chinese investor, having committed more than $1.3 billion since 2008, with nearly 70% of the allocation in the past 36-month period, or more than $900 million.

The investing conduct of the U.S. Public Pensions has been remarkable for the range, consistency, and the depth of the investments. Only a single Public Pension fund that we have tracked has voluntarily agreed to reduce or eliminate investments, with TXRS committing to halve the already quite significant investments made in China — and certain Missouri (MOSERS) and Indiana (INPRS) Board of Trustees' recently announcing an intent to commence a divestment process — leaving hundreds of public pension funds silent on the issue.

The Largest Public Pension Investors in Foreign Adversarial Countries.

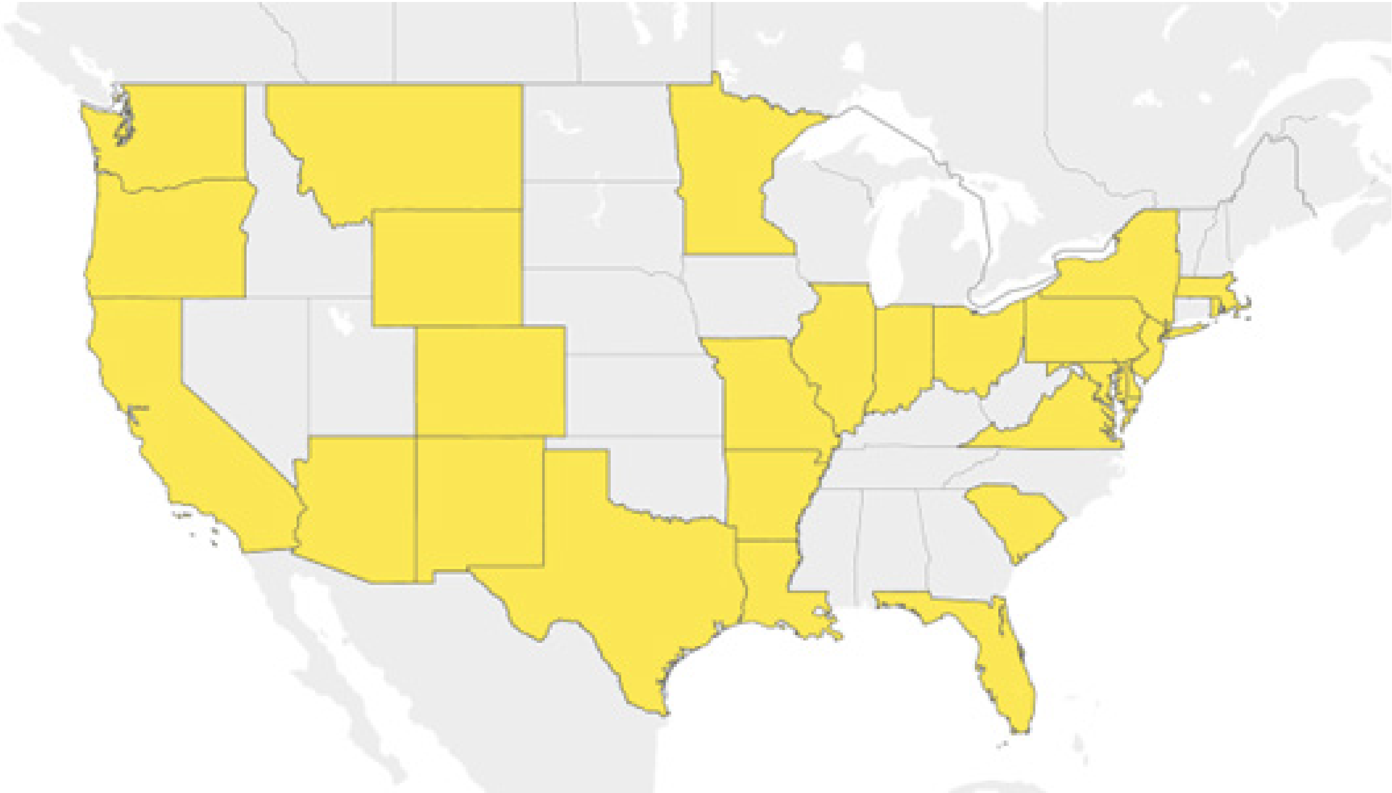
The following are the largest U.S. Public Pensions investing in China/Hong Kong:

Table 8. U.S. Public Pensions Summary.

U.S. Public Pension	Number of Investments	Total Amount of Investment ($mm)	Date of Latest Inv. Commitment
California Public Employees Retirement System (CalPERS)	80	$7,866	2023
San Francisco Employees' Retirement System (SFERS)	80	$3,381	2022
New York State Common Retirement Fund (NYSCRF)	72	$8,392	2022
California State Teachers Retirements System (CalSTRS)	58	$5,559	2022
Texas County & District Retirement System (TCDRS)	44	$1,605	2022
Maryland State Retirement and Pension System (MSRPS)	34	$3,050	2023
Teachers' Retirement System of the State of Illinois (ILTRS)	34	$2,012	2022
State of Michigan Retirement Systems (MRS)	32	$975	2021
Pennsylvania Public School Employees Retirement System (PSERS)	31	$3,220	2021
New York State Teachers' Retirement System (NYSTRS)	30	$3,142	2022
Oregon Public Employees Retirement System (PERS)	26	$2,925	2021
Washington State Investment Board (WSIB)	24	$5,025	2022
Teacher Retirement System of Texas (TXRS)	24	$2,775	2022
New Jersey Division of Investment (NJDI)	20	$1,812	2020
Employees Retirement System of Texas (TXERS)	18	$1,368	2022
Oregon State Treasury (OST)	17	$2,080	2018
Florida Retirement System Pension Plan (FRS)	15	$1,664	2022
Minnesota State Board of Investment (MSBI)	15	$1,316	2022
Virginia Retirement System (VRS)	11	$1,450	2022
…**			
Aggregate Totals	1,126	$73.286 billion	

Source: The disclosed information is the publicly discoverable reported information and information from private databases.
***Note: List is truncated for conciseness, and further funds are included in the totals.*

Map 5. States with at least one Public Pension investing in China and Hong Kong.



Map 5. States with Public Pensions that have Invested in China and Hong Kong.
Source: Public and private databases as of June 30, 2023.

The map above illustrates states with pensions that have invested in China. In the past 12-month period, 29 of the 74 largest U.S. Public Pensions (39%) have made investments. This number increases to a staggering 56 when extending the time horizon to 36 months (75%). Over the past 36-month period, U.S. public pensions have invested more than $68.8 billion of private capital in China-related venture capital and private equity funds.

U.S. Public Pension-Specific Trends.
** Given available information*

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS).

CalPERS is one of the largest and most influential capital allocators in the world. According to public disclosures, it is among the largest portfolios of investment across the country, rivaling sovereign wealth funds of other countries, given its scale.

CalPERS has committed more than $7.8 billion to China-focused or based funds, with more than $1.8 billion flowing into these funds in the last 36-month period, amounting to 24% of total commitments.

FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS).

FRS is one of the largest capital allocators in the U.S., reflecting a political position that counterbalances the more liberal leanings of many of the other, large Public Pensions. The FRS has significant clout based on both the magnitude of assets under its direction and public statements related to other funds. However, according to public filings, that political advocacy on certain issues, such as sustainability, has not been reflected in China-related investment choices.

FRS has committed more than $1.6 billion to China-focused or based funds, with greater than $721 million flowing into these funds in the last 36-month period, representing 43% of the aggregate total investment.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM (NYSTRS).

NYSTRS is another influential capital allocator in the class, often seen as a guidepost and leader capable of swaying smaller funds to elect similar positions and stances. According to public disclosures, it has been one of the most active investors in China, notable given its prominence in the pension industry and level of visibility amongst smaller funds.

NYSTRS has committed more than $3.1 billion to China-focused or based funds, greater than 25% of total commitments in the last 36-month period, representing more than $775 million.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (ILTRS).

ILTRS is one of the bellwether public pension funds whose actions also have outsized influence on the choices by other funds. While it is chiefly known for the significant size of its assets under management, the investment decisions cannot be characterized as positive with regard to investment choices in China.

ILTRS has committed more than $2.0 billion to China-focused or based funds, greater than 45% in the last 36-month period, representing more than $995 million.

B. U.S. UNIVERSITY ENDOWMENTS.

Overall Trends.

And, as illustrated above, the U.S. University Endowments system is as equally impactful as the large, Public Pension investors. However, perhaps more objectionable is the conduct of our university system, as the broad U.S. higher education system continues to purport to be broader champions of equality, human rights and freedom. However, our data shows the publicly espoused ideals are notably lacking in many instances when it comes to such endowments' China-related investment selections.

The U.S. University Endowment Investors in Foreign Adversarial Countries.

The following are the largest U.S. University Endowments investing in China/Hong Kong:

Table 9. University Endowments Summary.

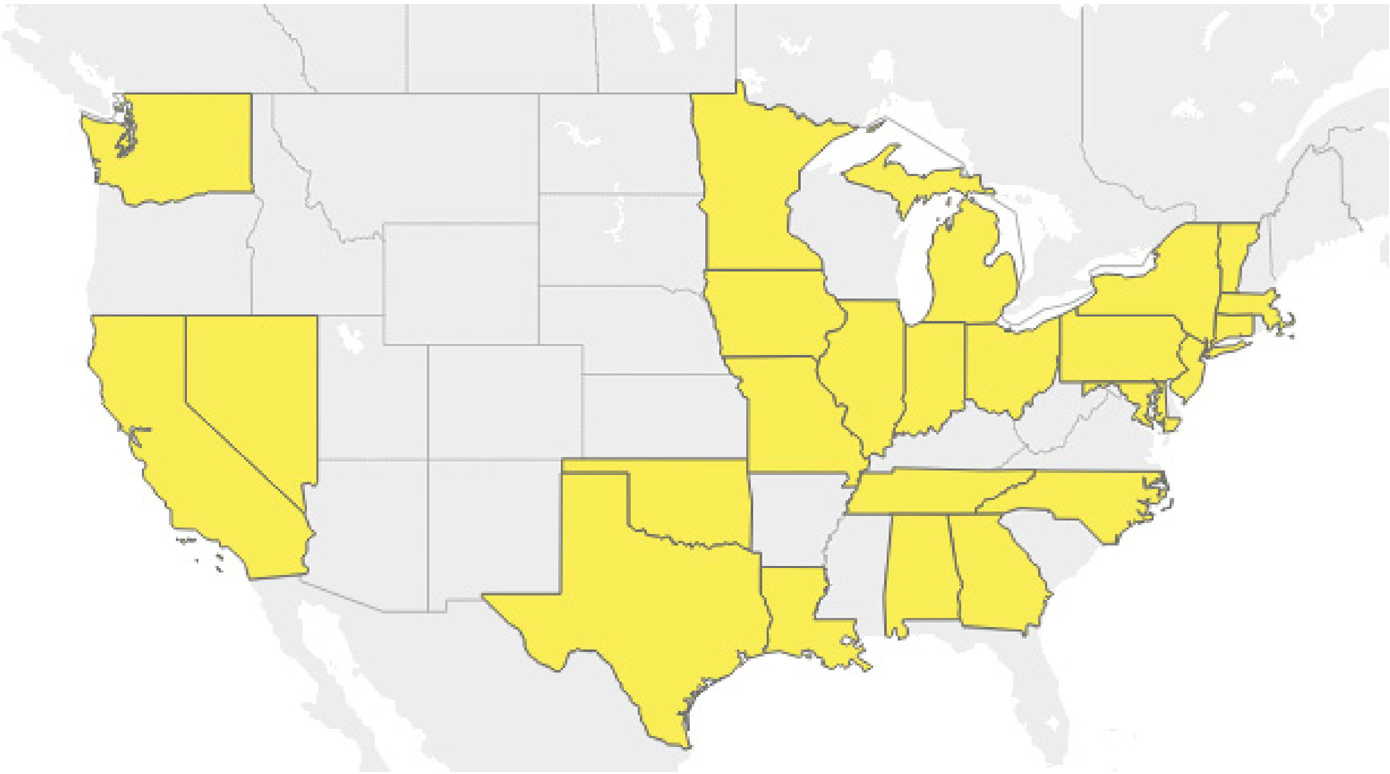
University Endowments*	Number of Investments	Total Amount of Investment ($mm)	Date of Latest Inv. Commitment
Univ. of Michigan Endowment (MI) (Public)	83	$1,570	2023
Texas Permanent School Fund (TX) (Public)	39	$1,971	2022
Univ. of Texas System Endowment (TX) (Public)	29	$1,607	2022
Regents of Univ. of California (CA) (Public)	22	$1,556	2022
Stanford Management Company (CA) (Private)	12	$80	2014
Princeton Univ. (NJ) (Private)	12	$155	2020
Univ. of Washington (WA) (Public)	11	$89	2022
Univ. of Oklahoma Foundation (OK) (Public)	10	N/A	2011
Univ. of Pittsburgh Endowment (PA) (Public)	10	$43	2020
Univ. of Missouri System Endowment (MO) (Public)	9	$153	2022
Texas A&M Univ. System Endowment (TX) (Public)	9	$50	2021
Texas Tech Univ. System Endowment (TX) (Public)	8	$42	2021
Carnegie Mellon Univ. Endowment (PA) (Private)	7	$10	2020
Univ. of Chicago Endowment (IL) (Private)	7	N/A	2015
Harvard Management Company (MA) (Private)	7	N/A	2011
MITIMCo/Basic Retirement Plan (MA) (Private)	7	N/A	N/A
Duke University/The Duke Management Company (NC) (Private)	7	$20	2020

Massachusetts Institute of Technology (MA) (Private)	6	$22	2016
Yale Univ. Endowment (CT) (Private)	6	$50	2015
Oklahoma State Regents for Higher Education (OK) (Public)	5	$14	2022
Columbia University Endowment (NY) (Private)	5	N/A	2015
…**			
Aggregate Totals*	385 investments	$7.684 billion	

**The disclosed information is the publicly discoverable reported information and, as noted, it likely underestimates the total number of investments/total amount of the investments, often by a significant margin.*
***Note: List is truncated for conciseness, and further funds are included in the totals.*

The following map indicates select university endowments that have invested in China. The demonstrative map severely undercounts the number, and degree of an endemic problem. Many of the largest private and public endowments do not disclose any information, detailed or otherwise, on their alternative asset investment portfolios and, consequently, are not featured in the visual representation.

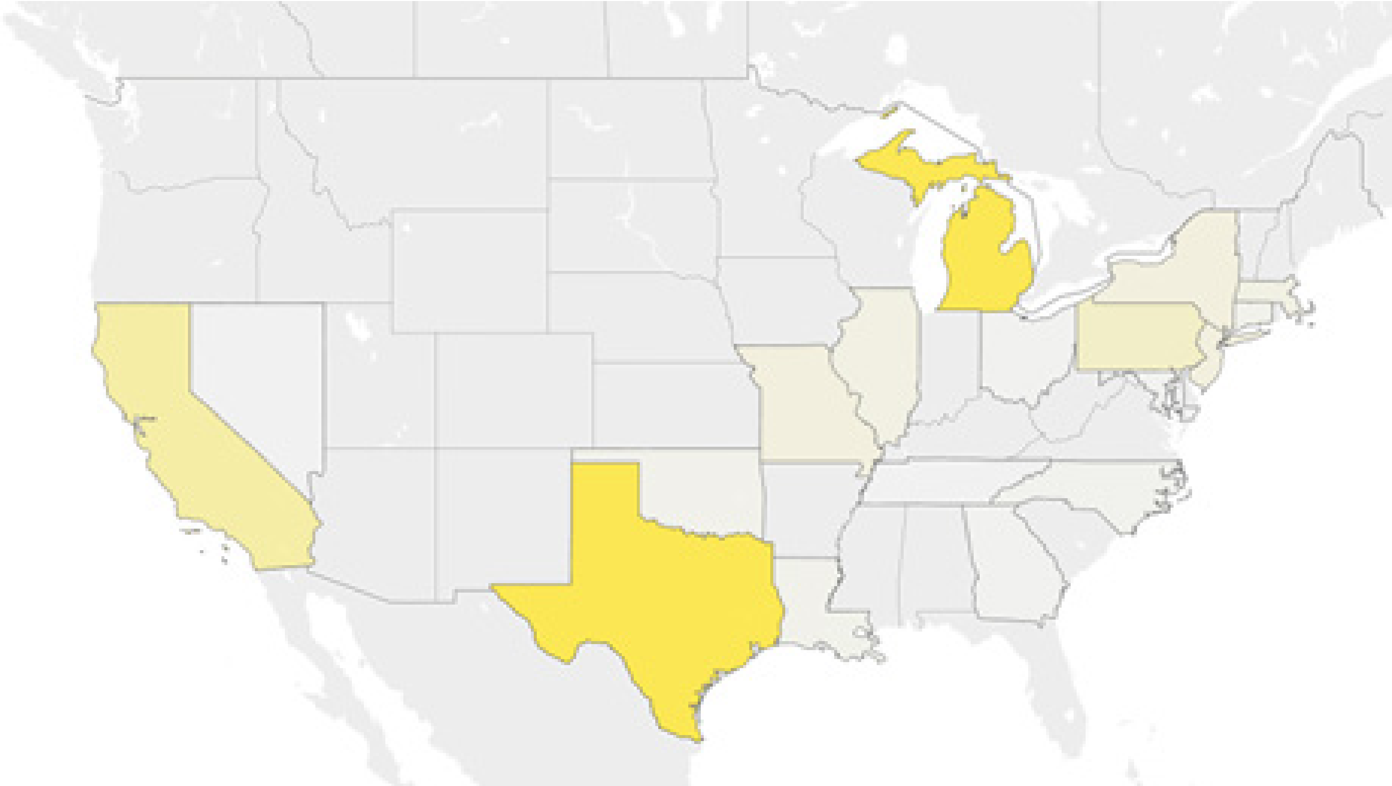
Map 6. States with at least one University Endowment investing in China and Hong Kong.



Source: Public and private databases as of June 30, 2023.

The single greatest takeaway from our research is the degree to which the U.S. university and college endowment system has been willing to tolerate broad allegations of repression and human rights violations, among other calamitous evidence, for greater investment return.

Map 7. University Endowments with the Greatest Concentrations of Investments in China.



Source: Public and private databases as of June 30, 2023.

Some of our most well-known universities, such as the University of Michigan, continue to make significant investments in China, having committed more than $1.6 billion across 83 investments, the latest just a few months ago. Similarly, the University of Texas has committed more than $1.6 billion across 29 investments, with nearly $419 million allocated in the last 36-month period. The University of California has committed more than $1.6 billion across 22 investments, with 54% allocated in the last 36 months. Similarly, the only U.S. Endowment that has publicly committed to refrain from further China investments is the University of Chicago, which took the voluntary stance in the middle of 2023.

University Endowment-Specific Trends

** Given available information*

UNIVERSITY OF MICHIGAN (MI).

The University of Michigan Endowment is among the largest and most visible in the country, and the school itself recently won the NCAA College Football Championship. It is also one of the staunchest financial supporters of China's research and development, as one of the large investors of technology funds and startups in China.

The University of Michigan continues to invest in China, with publicly available information indicating that the university's endowment has made at least 83 investments commitments to China-related or China-focused funds, investing more than $1.6 billion (comprising more than 9% of their entire investment portfolio), with the latest documented investment occurring in 2023.

UNIVERSITY OF TEXAS (TX).

The University of Texas has been one of the greatest benefactors of the endowment community investing in China. As such, it remains one of the most prolific investors in private funding to China. The continuation of such investing is surprising given the fact that the University maintains one of the largest U.S. Reserve Officers' Training Corps (ROTC) programs in the U.S.

The University of Texas Permanent School Fund has invested $1.9 billion spread across 39 investment commitments, with over $600 million allocated in the last 36-month period (more than 30% of the entire investment portfolio). The latest investment occurred a few months ago.

REGENTS OF THE UNIVERSITY OF CALIFORNIA (CA).

The Regents of the University of California, like the University of Michigan, is perhaps the largest and most influential endowment in the country. While it has taken a principled stance on equality and sustainability in numerous instances, the University endowment's track record of investments reveals continual capital commitments to China-related, private investment funds.

The University of California system has invested more than $1.5 billion across 22 investment commitments, with at least 53% having been allocated in the last 36-month period. The University is only a few months removed from their latest investment in a Chinese-related private equity or venture capital fund.

PRINCETON UNIVERSITY (NJ).

Princeton University is one of the most notable private universities. However, due to the private status, it provides less than a complete view into its investment decisions with limited amounts of disclosure. Still, the data indicates that it has continued to be a significant investor in China-related companies and funds throughout the past decade.

While the data is limited, our research indicates more than $155 million of investment commitments have been made to Chinese-related private equity and venture capital funds, which likely significantly underreports the true level of investment.

C. NONPROFITS AND U.S. FOUNDATIONS.

Overall Trends.

In comparison to the broad use of U.S. Pension and University Endowment capital providers, the Nonprofit and U.S. Foundations funding of China and other autocratic regimes has been more restrained, perhaps related to the greater risk aversion of the asset class. To that end, our research suggests that there is still a threat, highlighting a number of investment stances that conflict with adhering to broader principled democratic processes.

The Largest Nonprofit and Foundation Investors in Foreign Adversarial Countries.

The following are the largest Nonprofits and U.S. Foundations investing in China/Hong Kong (listed in order of AUM):

Table 10. Nonprofit and U.S. Foundations Summary.

Nonprofit & U.S. Foundations*	Number of Investments	Total Amount of Investment ($mm)	Date of Latest Inv. Commitment
Gates Foundation (#1)	2	N/A	2019
Robert Wood Johnson Foundation (#11)	55	$254	2022
Mayo Clinic (#14)	7	N/A	2020
John D. & Catherine T. MacArthur Foundation (#20)	41	$220	2019
Andrew W. Mellon Foundation (#21)	26	N/A	2018
J. Paul Getty Trust (#23)	24	N/A	2017
The Leona M. & Harry B. Helmsley Charitable Trust (#25)	13	N/A	2017
The Rockefeller Foundation (#30)	38	N/A	2020
Memorial Sloan Kettering Cancer Center (#38)	4	N/A	2020
Crankstart Foundation (Michael Moritz/Harriet Heyman) (#39)	12	N/A	2018
Carnegie Corporation of New York (#42)	30	N/A	2022
The Annie E. Casey Foundation (#51)	11	N/A	2017
Richard King Mellon Foundation (#57)	20	N/A	2019
McKnight Foundation (#63)	2	N/A	2022
Casey Family Programs (#64)	4	N/A	2018
John S. & James L. Knight Foundation (#65)	8	N/A	2019
William Penn Foundation (#82)	3	$209	2017
The Heinz Endowments (#83)	6	N/A	2018
Ewing Marion Kauffman Foundation (#91)	3	N/A	2018

Bush Foundation (#101)	14	N/A	2019
Daniels Fund (#102)	6	N/A	2021
The Ford Family Foundation (#222)	3	N/A	2022
The Dietrich Foundation (#245)	4	N/A	2020
Peter G. Peterson Foundation (#249)	6	N/A	2019
Hall Family Foundation (#258)	6	N/A	2022
The Sherman Fairchild Foundation (#300)	23	N/A	2018
…**			
Aggregate Totals	608 investments		

***Note: List is truncated for conciseness, and further funds are included in the totals.*

** The disclosed information is the publicly discoverable information and, as noted, likely underestimates the total number of investments/total amount of the investments, often by a significant margin. The list above is a compilation of available information of the largest 300 Nonprofit and U.S. Foundations that have publicly disclosed information since 2017, a period we selected based on our view of a broad and undeniable awareness of China's attempt to exploit the private equity/venture capital and broader capital markets through a campaign of corporate espionage, intellectual property extraction, and one-sided joint ventures/ forced technology transfers.*

As the data indicates, numerous foundations have been strategically investing in China. While only limited information is available, the MacArthur Foundation has invested at least $220 million into China across 41 investments, the latest reportedly in 2019. Only one large Nonprofit or U.S. Foundation on record, The Robert Wood Johnson Foundation, has decided to publicly refrain from further investment in China. . This comes after the Johnson Foundation more than 55 investments in China. The Bush Foundation also contributed to funding China-related funds, with at least 14 investments.

U.S. Nonprofit and Foundation-Specific Trends.

** Given available information*

THE MACARTHUR FOUNDATION (#20).

The John D. and Catherine T. MacArthur Foundation has continuously made investments in China, even in recent years. It continues to demonstrate continuous and deep ties to China.

According to available information, The MacArthur Foundation has invested in more than 41 transactions over the past decade. While the available information is limited, investments amounting to more than $220 million have occurred. The latest investment occurred in 2019.

THE ROCKEFELLER FOUNDATION (#30).

The Rockefeller Foundation has long been one of the most admired nonprofit foundations in the U.S., taking stances in principled areas such as democracy, healthcare, and good governance. However, that principled stance has not been similarly displayed in all of their investment choices.

According to available information about the Rockefeller Foundation, investments in China-related funds have been plentiful with the latest documented investment commitment of record in 2020. The Rockefeller Foundation has made at least 38 investment commitments to Chinese or China-related private equity and venture capital funds.

THE ROBERT WOOD JOHNSON FOUNDATION (#11).

The Robert Wood Johnson Foundation has displayed a broad predilection for Chinese private capital investments. While agreeing to discontinue future investments, the current commitments will remain in place as legal obligations and generate returns for years.

According to available information, The Robert Wood Johnson Foundation has made more than 55 investment commitments to China-related funds, which totaled more than $254 million. The majority of investments occurred in recent years, with the latest in 2022.

THE CARNEGIE FOUNDATION OF NEW YORK (#21).

The Carnegie Foundation of New York has also been a benefactor of adversarial China. The outsized level of prominence in the nonprofit industry and visibility among peers means it also carries considerable influence on other foundations' investment decisions.

According to available information, the Carnegie Foundation of New York has been one of the most prolific investors in China, with more than 30 investment commitments to private equity and venture capital funds with China-related linkages.

D. PRIVATE EQUITY AND VENTURE CAPITAL FUNDS

Overview

Many funds invest across borders, investing across democratic capital markets as well as in autocratic markets. Disappointingly, it is not just capital that flows freely from one country to another via these investors; it is know-how and processes, expertise in sales and marketing, and even core proprietary intellectual property. Additionally, as is well-known, investments in China also happens to have a chilling effect on other investments as the funds and general partners have a fiduciary obligation to do what they can to help those management teams compete against any and all competitors, both foreign and domestic. As such, it is reasonable to expect that such funds acquiesce to Chinese demands of knowledge transfer, in order to preserve the value of every holding and uphold the commensurate fiduciary duty to limited partners to maximize returns at all costs. This conduct occurs even if it comes at the expense of U.S. startups or others in the same industry. Additionally, the firms with the greatest prestige and profiles making the investment into specific startups (regardless of whether they are in the U.S. or China, as the functional effect is the same) in a highly visible manner or with a sizeable investment can, indirectly, also have a chilling effect on investments allocations by other funds into competing startups as such an investment may operate as a signal to other, perhaps smaller, less notable funds that it may be ill-advised to be investing in competing startups targeting the same customers in the same sector, especially if the investment of the notable investor is an order of magnitude greater than what a competing startup could and would be able to fundraise (as capital is a finite resource). Thus, together, all of these items can create a foreseeable conflict between the interest of democracy-based startups and the exploitation of the markets in the U.S. by Chinese-based or entangled startups.

U.S. Private Equity/Venture Capital (Or With Significant U.S. Presence) And Affiliated Managers Directly Investing In Adversarial Countries:

Table 11. U.S. Funds and Investors Focused on High Tech Investing Directly in China and Hong Kong.

Fund/Manager (combined)	AUM ($U.S. billion)	Location	Investments
Sequoia Capital/Sequoia Capital China (HongShan)	$85	Menlo Park, CA	Full-Life Technologies, Dianxiaomi, Powerlaw AI, Huaxuan Sensing, Tastien, Ant Group, DiDi Global, DianPing.com, Meituan, AutoNavi, Klook Travel, SZ DJI Technology, JD.com
Permira	$84	London, GBR.	Full Truck Alliance, AML Aviation Technologies, AsiaNet China, Unitas Capital (China)
Tiger Global	$75	New York, NY	Xihuang Technology, NowCoder, WATI.io, BiliBili, Dianxiaomi, Zuoyebang, JD Health, ByteDance, Meituan, DiDi Global, Weidian, Alibaba Group, JD.com
General Atlantic	$73	New York, NY	Beijing Dream Plus Information, CANbridge Life Sciences, LePure Biotech, Harmay, Ant Group, ByteDance, Meituan, AutoNavi, eLong, Alibaba Group
Farallon Capital Management	$50	San Francisco, CA	Zentera Therapeutics, LianBio, Mobike, DiDi Global, China Cinda Asset Management, Fu Shou Yuan International Group

DST Global	$50	Cayman Isl., CYM.	Fenbeitong, TEAKOO, Fiture Technology, WATI.io, ByteDance, AutoNavi, DiDi Global, Meituan, Weidian, Alibaba Group, JD.com, Tencent Holdings, Baidu
Mirae Asset Global Investments	$45	Seoul, KOR.	Cytovant, SenseTime, Hua Medicine, Tantan Technologies, SZ DJI Technology, DiDi Global
Coatue Management	$42	New York, NY	DeSleep, Mech-Mind, Xiaopiu.com, Rox Motor, ByteDance, Ant Group, Meituan, DiDi Global, Weidian, Guangzhou Xiaopeng Motors Technology
Brookside Equity Partners	$36	Stamford, CT	Tujia, Meituan
Accel/IDG-Accel Capital	$35	Palo Alto, CA	9158.com, Algolia, Roseonly, Hainan Shuangcheng Pharmaceuticals, SZ DJI Technology, Tencent Holdings, Baidu
Providence Equity Partners	$29	Providence, RI	Sumscope, PPstream, CerBibo Television Broadcasts, Baidu, iQiyi, Kingstar, Dongchi
Lightspeed Venture Partners/ Lightspeed China Partners	$29	Menlo Park, CA	Sumscope, PPstream, CerBibo Television Broadcasts, Baidu, iQiyi, Kingstar, Dongchi
D1 Capital Partners	$27	New York, NY	Fenbeitong, DNE Group, DPC Dash, J&T Express
Dragoneer Investment Group	$25	San Francisco, CA	Nice Tuan, Guazi Used Car, ByteDance, Shanghai Yunli Info Tech, Ant Group, Alibaba Group
IDG Capital Partners/Accel-IDG Capital	$23	Beijing, CHN.	Qiangua Technology, JD Health, Yuewei Medical, TIMEZ, Algolia, BiliBili, DianPing.com, Hainan Shuangcheng Pharmaceuticals, SZ DJI Technology, Xpeng Motors, Lilith Games, Meituan, Tencent Holdings, CreditEase, Baidu
BPEA/EQT	$22	Boston, MA	Klook Travel, JD Health, JD Industrial Products, Cue & Co, Giant Network, Forest Logistics Products, eHi Auto Services
TCV/Technology Crossover Ventures	$21	Menlo Park, CA	ByteDance, Klook Travel, Renren Technologies
Kleiner Perkins/KPCB China	$20	Menlo Park, CA	Zuvi, LuxCreo, InnoStar Semiconductor, SPAX, Rong360, JD.com, SZ DJI Technology Company, CreditEase, Baidu
New Enterprise Associates (NEA)	$20	Menlo Park, CA	InCarey, Simple Psychology, Gushengtang Holdings, Blue Ocean Smart System, DiDi Global, ByteDance, Zuoyebang, Weidian
Bessemer Venture Partners	$20	San Francisco, CA	Klook Travel, Sensors Data, Bokee, ChinaEdu
Accel-KKR	$19	Menlo Park, CA	Xinxiwang

Alpha Wave Global	$19	New York, NY	Animoca Brands, DiDi Global, Ant Group, AutoNavi, Weidian, Alibaba Group
OrbiMed	$17	New York, NY	Norchem Pharmaceutical, Sirius Therapeutics, Epigenic, Gracell, Luye Pharma Group, Yidu Technology, RemeGen, Simcere Pharmaceutical
Third Point Management	$16	Menlo Park, CA	Didi Global, iCarbonX
Intel Capital	$13	Santa Clara, CA	AI-LINK, North Ocean Photonics, Capcon (China), Unisplendour Corp, ZEEKR Automobile, Huaqin Technology, IC Bench, Sunlune, Beijing ICETech Science & Tech, Beijing Yijing Tech, UNISOC
Oak Hill Capital	$13	New York, NY	Sunlune, Chimerica Global Logistics
Qiming Venture Partners	$10	Shanghai, CHN.	Nice Tuan, ChemLex, Supermag Motor, BiliBili, ACXEL, Prcxi, Meituan, ByteDance, Ailomics Therapeutics, DianPing.com, Musical.Ly
GGV Capital	$10	Menlo Park, CA	Dianxiaomi, Nice Tuan, Ronovo Surgical, Yunmanmanlengyun, MOODLES, Saphlux (China), ByteDance, Full Truck Alliance, Face++, AutoNavi, Musical.Ly, DiDi Global, Ant Group, Alibaba Group
Oak Investment Partners	$9	Greenwich, CT	B5Msoft, SunSun Lightning, Gshopper, Semiconductor Manufacturing International, Allyes ADNetwork, Digital Media Group, Lingtu, VisionChina Media Inc.
Matrix Partners/ Matrix Partners China	$7	Cambridge, MA	Powerlaw AI, Ronovo Surgical, Galaxy Jiutian Rocket, Chiplite Technology, RemeGen, Infinigence, Ronbay Lithium Battery, InventisBio, Klook Travel, DiDi Global, Weidian
Trustbridge Partners	$6	Boston, MA	Speedaf Express, The Beast, Rogrand, Xueba100, Unisound, Crystal Orange, AllinMD, Qihoo 360 Tech, Meican, Yitiao, DXY, Longre, Meituan, 51CTO, Didi Global, Meihua, Jiahui Health
B Capital Group	$6	Los Angeles, CA	Aurora Yaocheng, Cloudwise, Geek+, HiFiBio Therapeutics, Insilico Medicine, LinkMore, MediTrust Health, ProfoundBio; Tuhu.CN, Xingyun Group, Yuanxinjituan, Kezaihui
Cathay Capital	$6	Paris, FRA.	Qiangua Technology, Norchem Pharmaceutical, Avistone Pharmaceuticals Biotechnology, Haidi Energy Technology, JD Logistics, GTA Semiconductor, SVOLT, Missfresh
Draper Associates	$5	San Mateo, CA	CYFOUNDRY, ClinChoice, YeePay, Jingjin Electric AltoBeam Microelectronics, Baidu

Vivo Capital	$5	Palo Alto, CA	Ronovo Surgical, RemeGen, Gracell, New Frontier Health, Avistone Pharmaceuticals Biotechnology, Wanmei Interactive
Draper Fisher Jurvetson/ DFJ DragonFund China	$5	Menlo Park, CA	Enzymecode Biotechnology, ClinChoice, Jaya Beijing, Transmension Technology, PPTV, Baidu
Lilly Asia Ventures	$5	Shanghai, China	Easy-Flow Medtech, Sperogenix Therapeutics, Ronovo Surgical, Peixin Technology, AbogenBio, CARsgen Therapeutics, KeyMed Biosciences, RemeGen
NewView Capital	$4	Burlingame, CA	DiDi Global
CPE Capital	$4	Sydney, AUS.	RemeGen, Beijing Fourth Paradigm Technology, Weilong Food, DiDi Global
Redpoint Ventures/ Redpoint Ventures China	$4	Menlo Park, CA	Luying Technology, Enflame Technology, Chiansec, Baichuan AI, Vastai Tech, 360 DigiTech
GSR Ventures	$4	Palo Alto, CA	Xinghaitu Technology, PiPi Bear, Infinigence, LiblibAI, Fiture Technology, Shenwu Technology, Ronbay Lithium Battery, Fresh Orange Technology, DiDi Global
Greylock Partners	$4	Menlo Park, CA	MechaniX, GrowingIO, Musical.Ly, Huoli Tianhu Technology, Hoolai Game
DCM Ventures	$4	Menlo Park, CA	Fancy Technology, Kuaishou Technology, Sensors Data, Tiamat World, Peidun, ExploMar, Tuniu, Maimai, Musical.Ly
Draper Fisher Jurvetson Management	$3	Menlo Park, CA	Xiao-i Robot, HuaXun Microelectronics, StreamOcean, GMobile, Pactera Technology International, PPTV, VRB Energy, Baidu
GL Capital Group/GL Ventures	$3	Beijing, CHN.	RemGen, Foryou Medical, Sangon Biotech, Haomo Zhixing, BiliBili, Star Sports Medicine, Hisun (China), Sungrow Hydrogen Energy, Enerflow, Agibot, Tachem, China Tower, Taibang Biological Group, Contemporary Amperex Technology, Beijing Oriental Yuhong, SciClone Pharmaceuticals, Shandong Luoxin Pharmaceutical
IPV Capital/ InfoTech Pacific Ventures	$3	Palo Alto, CA	Semiconductor Manufacturing Electronics Corporation, TRS Microelectronics, Zhongkewenge, Rigger Micro Technologies
Mayfield Fund	$3	Menlo Park, CA	Next Entertainment, Lattice Power, Baihe.com, ShineOn, Baihe.com, Qunar.com
Sinovation Ventures	$3	Beijing, CHN.	ChemLex, Silicon Dynamic Technology, Daily gg, AutoAgents.ai, Ant Group, Yonghui Superstores, Face++, MediTrust Health

G Squared Equity	$3	Chicago, IL	Meituan, Alibaba Group, Beamreach Solar
Susquehanna Group Investments/ SIG China	$3	Bala Cynwyd, PA	Integle, Insurance Geek, Guoranbot, RestCloud, J&T Express, Weltmeister, XtalPi Technology, Empower Education Online, ByteDance, Musical.Ly
ATV/Access Technology Ventures	$3	New York, NY	Ant Group, Ule Network, Alibaba Group, Haoqipei, Tencent Holdings
Walden International	$2	San Francisco, CA	Aluksen International, Beijing Rayboch Technology, Cmind-Semi, Weifa Electronic Technology, Cimo Microelectronics, LE Gaga Holdings, AutoNavi, Meituan, SZ DJI Technology
Pegasus Tech Ventures	$2	San Jose, CA	AuraBeat, MailTime Technologies, EdiGene Inc.
Decent Capital	$2	Menlo Park, CA	Wuhan LuoJiaYiYun Optoelectronic Technology, Hongde New Materials, Yunic Technology, Hypershell (China), XtalPi Technology, Eclicks, Hong Jing Drive, Okawa
Samsung Ventures (Corp.)	$2	Seoul, South, KOR.	AI Micron, YoYi Media Interactive Advertising, Jade Bird Display, SmartSens Technology, ClouDr., SmartX, PhotonIC Technologies
Qualcomm Ventures (Corp.)	$2	San Diego, CA	Beijing Shenmu Technology, Suzhou Changxhing Zhijia Automobile Technology, Haomo Zhixing, SageRAN Network Technology, 7Invensun Technology, YOUNGZONE (Shanghai), Zerotech, A123 Systems, Giant Network, Sichuan Great Wall Software
Cisco Investments (Corp.)	$2	San Jose, CA	ZEEKR Automobile, Huaqin Technology, 4Paradigm, Kyligence, City Cloud International, Unisplendour Corp, Sky-Tech Holdings, UNISOC
BlueRun Ventures/BRV China	$2	Menlo Park, CA	Powerlaw AI, Agibot, InterHouse (China), QL Biopharm, Bioheng, LeadArt Biotechnologies, Xiaopiu.com
Axone Capital	$2	Newport Beach, CA	STEPVR, Maxscend, Focus Media Information Tech, Baidu
Bertelsmann Investments/ Bertelsmann Asia Investments (Corp.)	$2	Gütersloh, DEU.	Black Lake, Blackroom, CarLink, China Net Cloud, Dayima, Deepexi, FxBox, Galixir, Haizhi, HelloBike, Kapbook, KK Mandarin, Lagou Information, Minicake, Mobike, RoboticPlus.AI, Uxin, Zaozuo, Zhdao
AME Ventures	$2	Palo Alto, CA	DiDi Global, Beijing Xiaoju Technology
Alpha Square Group	$1	New York, NY	Cloudwise, Kyligence, FlashEX, ByteDance, Meituan, VIPKid, Kuaikan Comic

Octagon Capital Advisors	$1	New York, NY	Alebund Pharmaceuticals, MicroTech Medical, AbogenBio, HeartCare Medical, RemeGen, I-Mab Biopharma, KeyMed Biosciences
ACME Capital	$1	San Francisco, CA	DiDi Global, Beijing Xiaoju Technology, Zhejiang Biozon Technology, Shanghai Yuesai Biotechnology
Alumni Ventures	$1	Manchester, NH	Dark Matter AI, Ymatou, SenseTime, Qihoo 360 Technology, DiDi Global, Yixia.com, Rong360
SOSV	$1	Princeton, NJ	Zebra Labs, Chekk, Ninetech, Youibot Robotics, Yeelight, Neptune Robotics, OLEAP, USHOPAL
Makers Fund	$1	San Francisco, CA	Xixiang Ecological Chain Collection, Blocklords, MEW, rct AI Technologies
Translink Capital	$1	Palo Alto, CA	Lingsi Micro, B+ Group, Hong Jing Drive, UBiAi Technology
BITKRAFT Ventures	<$1	Santa Monica, CA	Blocklords, Directives Games, Kek.tv, SplitmediaLabs
We Capital	<$1	Singapore, SGP.	ETCP, Bangcle, Chicken Inside Coconut, Sinostage, DianPing.com, Meituan, BiliBili, Qihoo 360 Technology
Market X	<$1	San Francisco, CA	ByteDance
E. Oppenheimer & Son International	<$1	San Francisco, CA	Meituan, DiDi Global
Vertex Ventures HC/ Vertex Holdings	<$1	San Francisco, CA	JiuZhi Tech, Evolusia, Long Sailing Semiconductors, EasyMove (China), EdgeMedical, Semidrive, RecBio, Geek+, Phoenix Healthcare Group
Knickerbocker Capital	<$1	New York, NY	DiDi Global, Shanghai Souyou Network Science and Technology, Tencent Holdings
Bridger Management	<$1	New York, NY	Baidu, Digu.com, Xingching Technology
Amino Capital/zPark Capital	<$1	Palo Alto, CA	OddityRC, DeepMusic, Corage, MakeSens (Nanjing), BlaBla EdTech, Meituan, Kuaishou
FJ Labs	<$1	New York, NY	MollyBox, Ant Group, Happy Meal Takeaway, Yeemu, AutoNavi, Aimifan, Alibaba Group
IMO Ventures	Unknown	San Mateo, CA	Gracell, HCmed Innovations, New Frontier Health, Avistone Pharmaceuticals Biotechnology, Wanmei Interactive
AMD Ventures (Corp.)	Unknown	Santa Clara, CA	DeePhi
Applied Ventures (Corp.)	Unknown	Santa Clara, CA	Spectrum Materials, Halation Photonics

M12 (Corp.)	Unknown	San Francisco, CA	Beijing Laiye Network Technologies, Cipher Gene, Sensoro

** We elected to exclude the U.S.-based corporate venture arms given the corporate strategy elements of their investing and pedigree.*

Overview.

Numerous prominent and high returning funds in the United States have established specialized branches or entities dedicated to investing in China. In fact, some of these funds have even outperformed their parent funds based in the United States. In many cases, the China-specific arms earn better results and augur greater future commitments than their U.S. counterparts, best demonstrated by Matrix Partners China. Additionally, as successful as Menlo Park-based, Sequoia Capital has been in the U.S., Sequoia China/HongShan has also experienced notable success, with Neil Shen topping the Midas List, as well as having $56 billion of capital under management in comparison to the overall firm's aggregate $86 billion of funding. This success should not be surprising. There are obvious benefits that accrue to the most politically connected in an autocratic system where gaining the favor of politicians is critical, corruption is rampant, and the state is capable of determining winners and losers.

In parallel to Sequoia Capital's previously noted decision to split, GGV Capital announced their decision to separate the operations in both countries to attempt to preserve access in both markets. However, details of the particular aspects remain vague. And while a creating a credible "firewall" among the entities is possible, if history is any guide, public gestures are intended for appearances. Absent notable evidentiary proof, all parties should expect significant relationships and connections to continue given the longstanding shared interests, regardless of how adamantly such funds are in their public pronouncements. Additionally, along with Sequoia, other firms demonstrating the longstanding commitment of Silicon Valley alongside China include: Accel and IDG Capital and their shared Chinese-arm, IDG-Accel Capital; Lightspeed Venture Partners and Lightspeed China Partners; Kleiner Perkins and KPCB China; Draper Fisher Jurvetson/ Draper Associates and DFJ DragonFund China; Redpoint Ventures and Redpoint China Ventures; BlueRun Ventures and BlueRun Ventures China; and, finally, the aforementioned Matrix Partners and Matrix Partners China connection.

As indicated in our research, the shared arms of Lightspeed Partners/Lightspeed Partners China, Draper Fisher Management/Draper Associates/DFJ ePlanet Capital, Matrix Partners/Matrix Partners China, Redpoint Ventures/Redpoint Ventures China, and Kleiner Perkins/KPCB China, among others, complement, collaborate and work together. While some funds like Lightspeed Partners claim that limited partners are not shared commonly and that the funds operate separately, technically that may be accurate but the investment record shows numerous instances of overlapping, shared investments in the same Chinese-startup deals by many of these connected entities. And, like investment opportunities, this signals that there is a greater free flow of ideas and information, including influence and technological know-how, than they would prefer to publicly admit. This is just another way in which China and the CCP derive benefits from U.S. investments and the expertise of the knowledgeable and connected networks of the general partners of such U.S. private equity and venture capital funds.

As for the cross-border funds, the aforementioned, China and the U.S. include biotech and healthcare-focused 3E Bioventures Capital, DCM Ventures, GGV Capital, GL Capital Group, GSR Ventures, IMO Ventures, Lilly Asia Ventures, OrbiMed, Qiming Venture Partners, Sinovation Ventures, Vertex Holdings, Vivo Capital, and Walden International, among select funds.

Beyond the cross-border connection, the U.S. House of Representatives' China Select Committee issued inquiries on July 19, 2023 seeking greater insight into the investment connections of some of the largest: GGV Capital, GSR Ventures, Walden International and Qualcomm Ventures, the corporate venture arm of Qualcomm. That said, many funds continue to invest broadly, thereby supporting China's startup ecosystem while, simultaneously, attempting to reduce U.S. regulations and dilute government oversight on a greater number of sector-specific investment areas. As listed below, both large and small funds continue to retain limited partners directly from China (and many others who have obfuscated the true beneficial ownership by moving assets to other countries to hide China-related funding sources), and many relationships go unreported. Many funds synonymous with the very earliest days of private equity and venture capital, from New Enterprise Associates, Bessemer Venture Partners, Greylock Partners, and Mayfield Fund, have invested directly or through limited partner stakes in other firms. And even smaller funds, like Vivo Capital, Translink Capital, Makers Fund and We Capital continue to make investments in China.

While largely motivated by a corporate-parent interest in maintaining a competitive corporate advantage and having access to leading technology, even U.S. corporate venture capital-arms have longstanding histories of investing in leading-edge startups in China — and are not immune to, or exempted from, the same forced information exchanges as other companies. As mentioned above, Qualcomm Ventures is the most visible, but AMD Ventures, Applied Ventures, Cisco Investments, Intel Capital, M12 (Microsoft) and Samsung Ventures, among others, have also been deploying capital into startups and furthering China and other adversarial ecosystems.

Moreover, for Chinese companies and the CCP-party members, the opportunity to create connections, seek advice, and work alongside luminary veterans from Silicon Valley and New York, including the industry's most adept, experienced, and elite general partner-investors, is a coup for antidemocratic economies and regimes — and a travesty for democracy and preserving free markets. As such, the willingness of such titans of private equity and venture capital to devote time, energy, and expertise to Chinese founders and companies is of inestimable value, both to their companies, the innovation ecosystem of China and, ultimately, the CCP. The simple fact of such investors' lifetime of learning and pattern recognition of investing, let alone the go-to-market and business strategy perpetual advice and esteemed networks accompanying such investors (sales, marketing, partnerships, funding, leadership and even political talent) amassed and honed over decades, is priceless. And given the fiduciary obligations and duties to founders once such investments has been made it is reasonable to assume that the entirety of such benefits would be made available to these startup founders in China. And in return, these investors receive the opportunity to invest in China's closed-loop market, which illustrates the view of the value of the Chinese technology market — and, conversely, illustrating how it has become one of the best bargains in history for the CCP regime. The fact that executives are not even seeking upfront pecuniary payments commensurate with their track record and pedigree — when such executives in corporate settings easily command six figures (and nearly any price would be justifiable) — makes the arrangement even more lopsided for CCP and China's innovation ecosystem. The calculable damage that has, and continues to be done through the partnerships between U.S. firms their Chinese-arms, is nearly impossible to quantify, and the damage in a competitive ecosystem to U.S. companies is equally as severe and disastrous. The real-world trade-off likely far exceeds the imaginative scope of what techniques and technologies, let alone knowledge, expertise, network connections and other intangible benefits, may have been transferred. It is likely that this equates to one of the greatest, and most capricious, geopolitical power transfer to an adversarial foe, economic or conventional.

Sector-Specific Trends.

SEQUOIA CAPITAL/HONGSHAN.

Sequoia Capital is one of the largest funds in the U.S. and globally, with more than $85 billion of assets under management. In June, Sequoia Capital announced an intention to separate three geography-specific investment entities into China, the U.S., and India. This decision indicated as much about U.S. public perception than principled action. As such, the lagging decision also highlights the success of Sequoia China, with Neil Shen the overall top individual investor on the 2023 Midas List, which happens to invest solely in China. Additionally, in November 2023, it was publicly announced that a more rapid transitional separation of Sequoia U.S. and China arms had occurred. However, little is publicly known about the elements of the effective separation and the ties between U.S. and Chinese capital allocators.

GGV CAPITAL.

GGV Capital, formerly Granite Global Ventures, is also one of the largest global cross-border investors, with more than $9.2 billion of assets under management. GGV Capital has been one of the most entrenched Chinese investment funds since its founding in 2000. The firm has been instrumental in the development of the competing Chinese ecosystem of startups. GGV's decision to separate the geographic business units in September 2023 followed Sequoia Capital's decision. The China-origin of the leaders and fund itself, as well as the longstanding fluidity between all teams investing in the largest Chinese and U.S. startups, simultaneously, create serious doubts of the conviction behind a true organizational split as opposed to one that is more illusory, public-relations. This is especially true coming after the firm was one of four venture funds that the U.S. House of Representatives' Select Committee targeted for greater scrutiny into its investing practices. Given the united and shared operations of all elements of the firm, let alone the cross-border geographic investments under a single entity creates reasonable doubts of the conviction of such action. Nonetheless, while GGV offered scant details, it is premature to pass full judgment until the operational aspects of the separation are publicly revealed, if ever.

TIGER GLOBAL.

Tiger Global is one of the largest funds in the venture capital and private equity ecosystem, having amassed more than $75 billion of assets under management. Thus, given Tiger Global's size and global scope, the investment allocations in China are not surprising. One of the noted investors, Scott Shleifer, has benefited from his connections in China and the U.S., rising to #20 on the 2023 Midas List with insightful investments in both countries, including in Beijing-based ByteDance and U.S.-based Palantir. And while Tiger Global publicly announced a future reluctance to continue to invest in China's public-market equities, a similar principled stance was not taken for private capital investments — which likely is indicative of the lucrative level of returns it has generated in the country.

DCM VENTURES.

DCM is one of the largest cross-border venture capital funds with more than $4.2 billion of assets under management. Beginning in 1999, DCM was one of the earliest firms to invest in the early-stage technology sector in China. DCM has become synonymous with Chinese venture capital investing, likely reaping rewards from longstanding political connections. For the firm, access to U.S. investors and vice versa, the partnership has proved quite successful and lucrative. The long-term partnership between the U.S. and China investments persists, as the fund continues to take advantage of its favored position and significant ties as one of the earliest entrants into China.

U.S. Private Equity/Venture Capital, And Affiliated Managers, Receiving Funding From Limited Partners In Adversarial Countries:

Table 12. U.S. Funds and Technology Investors with Funding from Limited Partners in China and Hong Kong.

Fund/Manager (combined)	AUM ($U.S. billion)	Fund/Manager (combined)	AUM ($U.S. billion)
Farallon Capital Management	$50	Sinovation Ventures	$3
Providence Equity Partners	$29	Walden International	$3
D1 Capital Group	$27	Vertex Holdings	$3
Dragoneer Investment Group	$20	Pegasus Tech Ventures	$2
OrbiMed	$17	SkyBridge Capital	$2
Third Point Management	$16	BlueRun Ventures/BRV China	$2
Oak Hill Capital	$13	Morgan Creek Capital	$2
Qiming Venture Partners	$10	Decent Capital	$2
GGV Capital	$10	SOSV	$1
Matrix Partners China/Matrix Partners	$7	Makers Fund	$1
B Capital Group	$6	Playground Global	$1
Trustbridge Partners	$6	Translink Capital	$1
Vivo Capital	$6	M31 Capital	<$1
Lilly Asia Ventures	$5	Focus Ventures	<$1
Draper Fisher Jurvetson/DFJ DragonFund China	$4	CRCM Ventures/ChinaRock Capital Management	<$1
DCM Ventures	$4	TSVC	<$1
Redpoint Ventures/Redpoint Ventures China	$4	Plug and Play Ventures	<$1
GSR Ventures	$4	Cherubic Ventures	<$1
Greylock Partners	$4	Foothill Ventures (fmr. Tsingyuan Ventures)	<$1
The Raine Group	$4	Montage Ventures	<$1
Next Legacy Management	$4	Maven Ventures	<$1
Susquehanna Asia Investments	$4	Acorn Pacific Ventures	<$1
GL Capital Group	$3	Tyche Partners	<$1
IPV Capital/InfoTech Pacific Ventures	$3	Hone Capital	<$1
Mayfield Fund	$3	11.2 Capital	<$1

Overall:

Given the size and desirable consumer base in China, it is understandable that the largest and most well-known asset managers would have limited partner capital and involvement in countries like China. At the top of the list are the most notable asset managers like Citi Investment Management, Goldman Sachs Asset Management, HSBC Asset Management, JPMorgan Asset Management, and UBS Asset Management, all of which have offices and active dealings with China, among other adversarial, autocratic countries.

Many of the most prominent global asset and hedge fund managers enjoy lengthy and significant linkages to China's ultra-wealthy and high net worth community, including Capital Group, D1 Capital, Morgan Stanley, Wellington Management, Blackstone, KKR, The Carlyle Group, Ares Management, Apollo Group, Oaktree Capital Management, Bain Capital, TPG Newbridge, Fiera Capital, Third Point Management, Warburg Pincus, LaSalle Investment Management, GCM Grosvenor, Tiger Global Management, General Atlantic, Angelo Gordon, Siguler Guff, and FLAG Capital Management. This also includes pure hedge fund managers, like Bridgewater Associates, a longtime proponent of China with investments and offices in the country. The broad group extends to fund of fund and secondary investors, such as Ardian, HarbourVest Partners, Pantheon, Industry Ventures, TrueBridge, Hamilton Lane, Greenspring Associates, Coller Capital, Lexington Partners, Partners Group, AlpInvest, Top Tier Capital Partners, LGT Capital Partners, Pathway Capital, Horsley Bridge Partners, and Iconiq Capital that retain high net worth and limited partner connections to China.

The list is a veritable ranking of the most influential investment banking conglomerates and asset management, private equity, and venture capital investors, a group that commands financial flows capable of influencing geopolitics on a grand scale. These are the kingmakers of industry, and when lucrative returns are at stake, they can wield significant influence.

Outside of the larger asset managers, numerous funds, both large and small, retain ties to high net worth individuals and secondary funds from China. These U.S.-based investors seeking U.S. investment opportunities range from the largest funds like cross-border Qiming Ventures, DCM Ventures, GGV Capital, and GSR Capital, to smaller funds with limited partner connections originating in China and likely more sensitive to the unmistakable geopolitical realities.

Adversarial Country-Private Equity/Venture Capital Fund Managers Receiving Funding From U.S. Investors:

Table 13. Chinese-based Funds and Investors with Funding from Limited Partners in the U.S.

Chinese/HK Funds/Asset Managers		Chinese/HK Funds/Asset Managers	
Fund/Manager (combined)	**AUM ($U.S. billion)**	**Fund/Manager (combined)**	**AUM ($U.S. billion)**
Hillhouse Capital	$73	Lotus Capital/Liam Fund	$2
PAG	$50	K2VC	$1
Mirae Asset Global Investments	$45	Vision Plus Capital	$1
New Hope Investment Group	$41	Qingyue Capital	$1
Boyu Capital	$40	Unicorn Capital Partners	$1
Gaw Capital Partners	$36	Crimson Int’l Investment	$1
Sculptor Capital Management	$34	Emerald Hill Capital Partners	$1
CDH Investments	$27	Unitas Capital	$1
MBK Partners	$26	XVC	$1
China Everbright	$25	INCE Capital Partners	$1
IDG Capital	$23	ClearVue Partners	$1
BPEA/EQT	$22	CID Venture Capital	$1
Gopher Asset Management	$22	Zhen Fund	$1
Primavera Capital	$20	CPE China	$1
Asia Alternatives	$15	Xian He Capital	$1
RRJ Capital	$15	ABAX Global	<$1
Ping An Capital	$14	Long Hill Capital	<$1
Hony Capital	$13	BioVeda China Fund/BVCF	<$1
Avenue Capital Group	$13	H Capital	<$1
FountainVest Partners	$11	Gaocheng Capital	<$1
YunFeng Capital	$10	Tsing Capital	<$1
CRCI (China Renaissance link)	$8	Shoreline Capital	<$1
Equis Fund Group	$7	Keytone Ventures	<$1
Axiom Asia Capital Partners	$7	Founder H Fund	<$1

CBC Group/C-Bridge Capital	$7	Ceyuan Ventures	<$1
HS Group	$7	CEC Management	<$1
FLAG Capital Management	$6	ChinaVest	<$1
EMP Global	$6	Miracle Plus	<$1
Orchid Asia	$6	IMO Ventures	<$1
Overlook Investments	$6	The Hina Group	<$1
DCP Capital	$6	We Capital	<$1
CMC Capital Partners	$6	M31 Capital (China)	<$1
Trustbridge Partners	$6	ChinaEquity Group	<$1
B Capital Group	$6	Pagoda Capital	<$1
5Y Capital	$5	ZWC Ventures	<$1
Janchor Partners	$5	Chengwei Capital	<$1
DT Capital/Detong Capital	$3	Quan Capital	<$1
Highlight Capital	$3	Lingfeng Capital	<$1
SoftBank Ventures	$3	Stony Creek Capital	<$1
Susquehanna Asia Investments	$3	3E Bioventures Capital	<$1
Haier Capital	$3	TDF Capital	<$1
Bertelsmann Asia Investments	$2	New Horizon	<$1
ADM Capital Asia	$2	Atypical Ventures/Lowkey	<$1
Shenzhen Green Pine Capital Partners	$2	BioTrack Capital	<$1
Huatai Ruilian Fund Management	$2	Genesis Capital	<$1
Pegasus Tech Ventures	$2	New Margin Ventures	<$1
Silverhorn Investment Advisors	$2	01VC	<$1
MSA Capital	$2	Yuanhe Capital	<$1
Puhua Capital	$2	Sherpa Healthcare Partners	<$1
Argyle Street Management	$2	Cenova Captal	<$1
SB China Venture Fund	$2	3H Health Investment	<$1
Sky9 Capital	$2	Boya Capital	N/A
Snow Lake Capital	$2	DG Capital	N/A

China Renaissance	$2	Enspire Capital	N/A
Gobi China	$2	Inter-Asia Ventures Management	N/A
Evolution Fund	$2	New Bridge Asia	N/A
Joy Capital	$2	Will Capital	N/A

Overview.

The funds listed herein serve only as a broad, but not exhaustive, accounting of a far greater number of funds residing in, and making investments, that benefit countries of concern. Among the funds listed, all have discernable evidence of capital connections with U.S. investors, either in the past or present. The vast majority of these funds remain in China. Even the funds who may have recently elected to shift technical headquarters to Singapore or elsewhere, indicates more about the optics of geopolitics than a true re-evaluation of activities. Some of the more notable investors include former state-run entities and cross-border investors, like GGV Capital and GL Ventures, which have offices both in China and the U.S.

RECOMMENDATIONS

As our research has indicated, the flow of capital from the U.S. into China, among other adversarial countries, continues. However, the White House executive order limiting investment in numerous areas was significant, as much for the signal of intent as well as actual implications. Changes in how investors and funds view the investment construct can make a significant difference. The U.S. must take that a step further, as more can be done from a transparency perspective in scrutinizing the limited partners and funds activities.

As we have come to realize, the CCP has been masterful at strategically calculated intrusions into the capital markets to extract technology and intellectual property, discretely accessing markets through obfuscation of investment entities and funding. Given the challenges of tracking capital flows in Foreign Direct Investments (FDI) and lack of transparency of other investments around the world, China and other autocrats have an advantage. Thus, greater scrutiny is required. This should be achieved through a dedicated nongovernmental tracking process that is at the center of all markets, ensuring that limited partner investments cannot be used to access and exploit our technology startups and companies.

There are a variety of opportunities for the U.S., and other allies, to bolster both the protections and incentives for the investment community to support and extend the power of the democratic capital markets. Future Union believes that these principled policy decisions can have a dramatic impact on the future competition between the U.S. and are allies, wielding our capital markets as a sword and a shield.

For example, the onerous but necessary sharing of information could profoundly reshape investment decisions and limit the use of capital markets by foreign adversarial actors. As the National Defense Authorization Act (NDAA) process has demonstrated, the step of greater transparency in the private markets may be the single greatest lever policymakers can reasonably expect to legislatively achieve at the moment to reduce market manipulation and reign in financial firms. Thus the threat to our capital markets are such that we cannot merely rely on elected leaders and policymakers expediting legislative solutions, the moment demands a long overdue fusion of private-public collaborations and entities. While care must be taken to ensure that the pendulum of oversight and regulatory burdens are not excessive, the moment requires a renewed connection between the Institutional Investors and investment funds working with regulatory authorities to push back on the conduct that has occurred. New means of investment, like the Office of Strategic Capital (OSC), can and should be unleashed to help promote and accelerate the U.S. and democratic innovation's competitiveness through the private capital markets.

The White House executive order on August 9, 2023 targeting outbound investment was a significant step in the right direction. However, it was clearly a product of intense debate and compromise. It was a compromise between a private sector intent on maintaining limited restrictions, and a White House sensitive to inflaming tensions with China, evinced by the delegation of Secretary Yellen to China preceding the formal announcement to assuage concerns. The four sectors that were outlined: Artificial Intelligence, Quantum Computing, and Microprocessors and Semiconductors, are highly important, yet it will take time and is insufficiently narrow. Additionally, NDAA restrictions on outbound capital were significantly diminished and only targeted transparency-related disclosure (prior to the altogether elimination from the NDAA on a technicality vote) rather than being a unified and clear and convincing stern stance by Congress. The weakness of the legislation that emerged from the bicameral conferences showed the limitations and challenges of marshaling an all-of-Congress collective, especially given the varied incentives of members (some of whom may even still receive tacit, hidden support from China-related supporters). More is needed, and now is the time that our Institutional Investors can step forward in a principled manner, reigning in future conduct even absent government regulatory demands. However, that does not negate the need for renewed vigilance by policymakers and reasonable oversight given the lack of urgency Institutional Investors and many of the limited partners have voluntarily demonstrated.

And, for the funds that have maintained ties to China and other autocratic regimes, and the select few who have announced separations, all owe it to their limited partners, the public, and democracies globally to draw a clear line of demarcation. These invesors and invesmtent leaders must put by putting in place ironclad and immutable legal and operational structures so the public and regulators can verifiably discern the complete and permanent separation.

Additionally, a more comprehensive level of information sharing among countries and funds is needed to ensure that entities who willfully fund our adversaries are identified, documented, and publicized so that further exploitation can be avoided. This is a role for the government, and many well-intentioned policy proposals need to go further. Until that happens, the onus is on the private sector and asset allocators to protect the markets from deleterious conduct by bad actor countries.

CONCLUSION

The U.S. policymakers and leaders have long recognized the single critical element to China's rise was the economic benefits that they have accrued from free and fair capital markets. However, the U.S. failed to demand and enforce the fidelity of such contractual agreements sufficient to ensure adherence to the rule of law in such markets.

By doing so, investors and Institutional Investors permitted, even supported, the continued exploitation and subversion of rule of law principles in many markets with the sole motivation of profit. As this report shows, economic markets remain the vital linkage and element to restoring, preserving, and accelerating our own means of surpassing foreign adversaries. Innovation cannot take a backseat in our capital markets. In order to ensure that those competing and leading technologies have the opportunity to excel, capital is a critical element. As such, we need to return to a level of accountability and fidelity to the rule of law that made our capital markets and private sector the envy of the global system.

To re-establish trust in capitalism and attract the most discerning investors, the present moment necessitates a higher level of commitment. Our companies, investors, Institutional Investors, foundations, and individuals must actively create a division between those who adhere to the implicit pact to uphold the rule of law, and those who defy this unspoken contract. This duty supersedes a mere moral obligation, instead it is founded on the conviction of economic and self-interested, market-based disciplines. This return-driven foundation implicates systematic risk, because ignoring the overarching risk invites opportunities for more powerful, substitute systems to emerge. When the private sector abdicates such a duty to demand fidelity to, and uphold, the rule of law with consequential enforcement action, the system falters. Indirectly, it furthers the opportunity for alternative systems to fill the void, which may include rival, infringing, less-than-free market systems. Thus, companies need to recognize that they share a mutual interest in upholding and protecting intellectual property rights and preserving the sanctity of a single, accountable system. This is essential because, at its core, these rights underpin the fundamental elements required for a robust, self-reliant, and dependable digital economy of the future.

The U.S. can no longer tolerate the propagation and continued violation of the rights of companies, customers, and users, who, in the age of globalization, are now hostage to the norms of national governments and market manipulators. As the foregoing research indicates, this current state is equally tragic and real. Our hope is that companies which continue to operate in sanctioned countries reconsider and commit to international principles, refuting the inherent complicity which undermines the fabric of free and fair market principles, in letter and spirit. While certain nations will continue to support the devaluation of rights and disregard the concept of an equitable system of governance, a greater commitment to intellectual property and democratic market policing by the private sector may be the only way to ensure principled progress. A collective effort from the private corporate sector, and our Institutional Investors and funds dedicated to bringing global leaders together in the name of preserving intellectual property, upholding the rule of law, and protecting human rights, is both necessary and long overdue.

As the conclusion of the aforementioned National Defense Industrial Strategy warns: "The nation needs to rally to the common defense. This NDIS is a call to both the public and private sectors for focused, dedicated efforts to build and secure the industrial capability and capacity necessary to ensure our military has the material available to deter our potential adversaries, and if necessary, defeat them in battle. This call to action may seem a great cost, but the consequences of inaction or failure are far greater."

As a venture capital investor (and former lawyer), I am attentive to the fiduciary responsibilities corresponding with limited partners' entrusting their capital to investors and the overwhelming pursuit of maximizing returns on their behalf. The argument that underlies the *Report* is not based on advocating for justice or virtue, it is one motivated by the dual self-interested, capitalistic pursuits of safeguarding and maintaining the long-term superiority of democratic-led, free market capitalism (perhaps at the expense of short-term return optimization) and a re-evaluation of the long unaccounted for, but ever present, externality of geopolitical risk in such investments. The venture capital and the private equity industry have, either by complicity or ignorance, failed to internalize a risk premium for nonmarket, antidemocratic systems that are noncompliant with the rule of law in private capital investing. In China, venture capital and private equity investors have optimized for short-term, individualized returns — a decade-long strategy that has been individually lucrative for funds, and collectively disastrous for the private markets — permitting a singular focus on fund returns while, largely, prevailing in the gamble that their capital is both extractable and exits are possible, even if valuations are artificially inflated. However, this simplistic model has also failed to account for the broad loss of U.S. superiority in edge technology that many U.S. investment leaders and funds have willingly exchanged in return for access and short-term returns. The shortsighted incentives have evaporated the benefits of undisputed leadership that would have accrued with perpetual control of critical technologies like quantum computing, artificial intelligence, and biotechnology. This has likely relegated the U.S., our allies, and democratic-capital markets to a prolonged, competitive "near-peer" detente, a situation with unpredictable future implications.

Leadership in this moment demands more than pursuit of absolute profit when dealing with sanctioned countries and countries of concern, all of whom represent an existential threat to the principles of economic growth. As solely fixating on profit without accounting for the continued erosion and undermining the rule-based pillars of free and fair economic dealing is no longer acceptable, as these are the pillars on which our system of democratic capitalism was founded.

Future Union's goal is to encourage companies and leaders to champion democratic ideals, as well as hold companies, Institutional Investors, and funds accountable when they renege on the implied contract of maintaining and preserving the free markets and abdicate the inherent obligation to stand up for democracy.

Andrew King, Executive Director

To produce this report, Future Union conducted dozens of interviews and consulted with a broad group of venture and private equity investors, public equity and hedge fund investors, current and former officials from the last three White House administrations, former and current members of the U.S. Department of Defense and other democratic countries' military services, congressional staff members, academic leaders, and other nonprofit, mission-aligned organizations. However, the analysis and recommendations presented in this report are solely of Future Union's authors alone and neither reflect the views of individuals consulted nor any U.S. government organization. Moreover, the authors, investors, officials and consulted experts participated in a personal, not institutional, capacity.

Data Last Updated: January 1, 2024

APPENDICES

APPENDIX 1. HISTORY OF INTERFERENCE WITH THE PRIVATE CAPITAL MARKETS.

In the last 10 years, U.S. Institutional lnvestors have used alternative investments to enhance returns. Since the early days of private equity in the 1980s, the combined venture capital and private equity asset class has experienced exponential growth. This class is also expected to continue delivering the highest returns of any asset class in the next 10 years, according to BlackRock research, just as it has done in a historical context. Despite the riskier nature of the investments, given the opportunity for above market returns, the risks have not dissuaded investors from the asset class. In 2002, private equity and venture capital funds held $580 billion in assets. Since then, the asset class has eclipsed records. In two decades, the total amount invested in private equity and venture capital funds surged to $7.7 trillion by 2022. One of the largest investors is public employee-funded pensions. As pension funds have chased returns, their exposure to alternative assets has increased disproportionately. While only 9% of pension funds had more than 20% exposure in 2001, by 2023 more than 80% of pension allocations exceeded such exposure. Thus, the burgeoning interest has simultaneously increased the profile and influence of the leading finance professionals beyond merely the returns.

By background, the investment market can be simplified into three participating groups, the capital, the investors, and the investees, namely, the startup and technologies companies receiving the capital. The capital providers, also described as capital allocators, are the Institutional Investors. These managers, often flush with capital, oversee significant amounts of wealth capital as stewards attempting to allocate such capital to other parties to earn the greatest return for their dependee-beneficiaries. These capital allocators operate in the role and duty of a fiduciary, acting as the overarching manager acting as a trustee in a role that embraces portfolio theory and demands putting capital to work while balancing risks to ensure that the capital that they manage earns greater returns.

The middle group, the investors — unencumbered by demands to balance the portfolio of risk across asset classes — focuses instead on a specific niche of expertise, in the private capital context of private equity and venture capital funds, that is deploying the Institutional Investors' capital entrusted to them to generate outsized returns. These investors willingly accept and seek greater risk for exponential returns. The general goal of such limited partners is a 3-4x return on the capital allocated, but the top-tier investors regularly exceed 5x, and even 10x, returns on deployed capital, on occasion. These are the firms, led by general partners, with specialized knowledge of industry sectors and broad relationships and networks, who receive capital from capital allocators, tasked to effectively deploy into some of the most promising, audacious startups and founders. Thus, these investors canvas their highly curated, targeted network of founders in their own specialized industry verticals to identify opportunities, compete for access, and negotiate investment financings in return for commensurate equity ownership stakes in the startup companies that need financing to grow their businesses. The startups make up the third part of the triumvirate, and category, of participants in private capital investing.

The companies, typically startups, but also more mature growth equity-stage companies, are the final recipient of the cascading capital flows. In the venture capital area, these early-stage startup management teams push the boundaries of technology advancement in their focal-sector, expending their energy and spending the capital received to accelerate and advanced research and development endeavors. The goal of all involved is to reach extraordinary success, reaping lucrative financial rewards, and investments are made expecting to earn a tremendous return upon an exit sale, for both the founders as well as the capital allocators, after the investors have taken their portion of the total return.

Private equity and venture capital funds typically work on a "2 and 20" model, in which the capital allocators permit the investment fund to use 2% of the total funding they have raised as a "management fee" to fund day-to-day operations and management of the fund (which has a priority payback when receipt of returns is received in excess of the investment amount in any subsequent distributions on the aforementioned 80/20 ratio of remaining capital distributions). Investors are entitled to 20% (also known as the "carried interest") of the overall return upon a successful exit by the startup/growth-stage company. And, the capital allocator, conversely, receives 80% of the proceeds in the cascading return. Thus, as mentioned, successful exit outcomes by the startups can have commensurately large — among the largest of any class — return outcomes, creating obvious appeal for large, wealthy capital allocators and incentives for them to dedicating sizeable amounts of capital to such investor-managers of private capital. Thus, the two sides of investors, the capital allocator and investor, are mutually symbiotic elements of the ecosystem, all with a single goal: to earn ever higher rates of returns e.g. return on investments.

These Institutional Investors have increasingly allocated their capital in broader geopolitical areas that include countries like China and Russia, not for the direct purpose of supplanting democratic capitalism but primarily for the greater opportunity for outsized returns in rigged, highly politicized systems, as well offering an element of portfolio diversity. In doing so, they have become a critical source of capital for countries that are determined to supplant not only the fair capital markets but also the private sector of the U.S. In recent years, these actors have continued to invest despite obvious conflicts of interest in countries of concern with such investments supporting the then-nascent competing technology and innovation ecosystem in nondemocracies. Nonetheless, as our research indicates, institutions continue to choose to prioritize lucrative returns at the expense of principled decisions.

Investment in businesses in China, Hong Kong, and Russia enriched many, from Institutional Investors, to fund managers, to individual founders. These efforts have come with a dark side: the categorical transfer of many of our most advanced technologies, either willfully or indirectly, alongside an overt abdication of the principled duty to safeguard such critical research and development.

China uses an array of tools to access and extract valuable intellectual property. This includes forced technology transfer, wherein a local government demands foreign businesses share their technology in return for access to their market. This is often paired with compulsory joint ventures. In reality, these are mutual decisions in name only. Local companies receive access to sensitive, private technologies and processes that are subsequently copied defying and negating the contractual and legal protections enshrined in the mutuality of such agreements. These sorts of rampant, corrupt, non-market practices enrich China's business community. Conversely, China state-sponsored investors pose as having return-oriented interest when in reality they seek access, information and influence. This has led to a systematic, state-led infiltration of democratic markets. This infiltration has utilized capital as the means to secure access to, and influence over, prized technology in corporations, research institutions, and even the U.S. military-industrial complex. Brazenly, China continues to use capital as a means of access, augmented by other methods of exploitation of intellectual property, such as cyberhacking, corporate espionage, and research expropriation, which has been facilitated by high-level bribery and corruption at U.S. and international think tanks and surreptitious programs like the Thousand Talents Program, designed to compromise top-tier academic researchers to share valuable research data, and Confucious Institutes, fictitiously masqueraded as a benevolent nonprofit organizations while pursuing a global promotional and recruitment campaign.

And while the *Report* largely highlights the Institutional Investors participation, affixing blame would be insufficiently narrow, given the broad dealings and willing trade-off of sensitive research and development for personal enrichment by far more individuals. Not only does it implicate our investors, but it also includes corporate leaders, both sides of our elected members of Congress — and the White House, our universities and research institutions, among numerous others. All of the CCP-related actors' cunning, strategic partnerships leveraging capital to sway U.S. institutions, investors, and leaders have resulted in the consequences we now face. As we note, capital has been a vital conduit bolstering the Chinese economy. It has enhanced an innovation ecosystem ill-equipped to reach this status and level of sophistication. For example, a commonly held view in pro-globalization, foreign policy circles were that the relaxing and opening of market forces — along with significant subsidies from the West — would entice an emergent China to adopt market-based reforms. That scenario failed to materialize. Ironically, the CCP used such naive views to infiltrate and exploit capital markets and siphon the most sensitive intellectual property, resulting in what the former chief of the National Security Agency called "the greatest transfer of wealth in human history.". This techno-economic gambit also gave China a convenient channel with which to pressure and co-opt geopolitical bodies. It coerced the most prominent geopolitical bodies, ranging from the World Trade Organization to the United Nations, China garnered special trade status, gaining subsidies reserved for developing countries, all while simultaneously leveraging free markets for access and influence, while feigning true institutional change.

Throughout this process, China carefully cultivated a narrative of victimization, manipulating globalization proponents to present a benign characterization focused merely on improving their domestic condition. By 2019 the longstanding ruse, which had long been evident to all but the staunchest globalists, was publicly exposed when Chinese President Xi Jinping clearly articulated the broad ambition of the CCP: to usurp democratic principles and mount an assault on free and fair markets.

China's cybersecurity and corporate espionage have positioned the superpower as a formidable contender in numerous industry sectors. The illusion of a divide between the CCP-led state and the auspices of a rule-of-law, independent private sector, which was always a charade, evaporated as the state has assumed firmer control over domestic private sector assets, even imprisoning Chinese executives who did not comply with its directives.

However, many U.S. and international companies inexplicably continue to conduct business in China, viewing the consumer base as too enticing to ignore. As indicated in our other, recently released report, "*Index for Democracy*," the consumer goods industry continues to be heavily intertwined with China. This courting of consumers combined with continued, profligate spending by U.S. companies in the Chinese-related, influencer marketing advertising channel indicates little interest in, or planning for, any near-term divestment. The risk for those companies is the same as others: greater exposure will yield greater vulnerability. Some, like Visa Inc., have begun the divestment process, but the progress has been sluggish and uneven.

As detailed earlier, numerous commercial examples of the entanglements and continued willingness of business to tolerate the China risk trade-off for short-term profits, as we detailed in the Forbes/TrueBridge Capital's Midas List section. The Forbes/TrueBridge Capital's annual Midas List carries influence within the industry even as many of the same listed financial firms continue to seek reduced regulation, attempting to prolong their own China-based profitability, which continues to benefit foreign adversaries. And even industry trade associations, like the National Venture Capital Association, are required to act at the behest and direction of all funds and, reportedly, have been advocating for reduced restrictions for their members, which include both members interested in investing abroad and foreign funds investing in the U.S., offering an example of unforeseen challenges in ending such abuses.

APPENDIX 2. AUTOCRATIC TIES: VIDEOGAME SECTOR.

Sectoral Spotlight: Gaming.

In recent years, video gaming (gaming) investments have been one of the largest and fastest growing sectors in venture investing, resulting in some of the industry's best investment returns. Greater funding has followed suit. The increasing popularity of gaming has given rise to Esports, with fans watching teams of players compete in videogames like Fortnite, Overwatch, Minecraft, Apex Legends, Player Unknown's Battleground (PUBG), Rocket League, and Dota2, among others. As such, loyal fan bases have emerged, rivaling that of any other entertainment industry, yet not necessarily captive to regional characteristics or geographic boundaries. Companies in Esports have frequently filled the largest venues and stadiums in the world to host spectacles catering to these loyal, global fanbases. With many of the largest gaming companies based in Asia, the locus of the sector has shifted as much to Asia as the U.S. or other geographies.

Many of the most well-known companies in the sector, including Tencent Holdings and ByteDance, are all based in Beijing, alongside a less well-known, but equally influential, NetEase Games. A fourth, miHoYo was in China, and recently changed the location of its headquarters to Singapore, yet maintains a majority of operations in Beijing. Also, the largest and most well-known game publishers have ties to China, such as like U.S.-based Riot Games and Epic Games, both of which Tencent owns significant stakes.

Gaming, a sector that few would equate with geopolitical risk or a global conflict between competing ideologies, could prove critical in the geopolitical contest hinging on influence as well as data and technical talents. The threat would be less immediate if there were less of a concentration among market participants. But this simply is not the case. The competitive dynamics are such that the largest, and veritable kingmaker in the industry, is Tencent. Tencent now commands the largest minority-interest holding in Epic Games, junior only to the founder, and complete ownership of Riot Games, which is the producer of League of Legends, the top played Esports game in the world. It also owns large minority, or majority, stakes in numerous other studios and platform technologies, from Supercell to Ubisoft to Discord, all among the most prominent gaming entities. Given Tencent's dominant position, it is not surprising that it is simultaneously the most acquisitive industry player. As Tencent commands nearly unparalleled influence across all segments of the \$200 billion industry—nearly double the size of Hollywood and music combined. Arguably, gaming garners greater influence on culture than Hollywood. And when a single game, like Tencent-owned Honor of Kings, reaps reportedly \$250 million per month in revenue, or more than \$3 billion per year, the scale of such a business can be a significant support to the Chinese economy. The CCP and Chinese regulators have demonstrated greater permissiveness in the sector, recently relaxed restrictions on gaming. This process follows a well-known pattern by China to extend a "longer leash" to newer, nascent and evolving technology areas in promising sectors, where the sectoral parameters remain yet to be defined for a period. Then, once the parameters have greater definition, reign in the permissive, sectoral-"leash" to comport with party-dictated mandates and CCP interests This pattern illustrates the nullity of a truly independent private sector and reinforces how the real power resides with the state and CCP. Another underreported byproduct of autocratic-centric influence is greater fluidity of the sec tor's capital with more muted barriers, given the fact that the dispersed nature of such companies. This also creates widespread opportunities for money laundering, which has been examined by major publications in Finland and Norway, and reportedly remains rampant in the sector.

As Table 14 below indicates, funding continues to flow to these markets, given the allure of significant potential returns. As an Asia-centric capital source, Tencent, ByteDance, miHoYo and NetEase have significant capital to deploy. Similarly, these corporate investors have set up specific corporate venture arms to seed the latest game concepts and emerging publishers. As the table reveals, this has led to numerous direct investments from the Chinese corporate conglomerates, which have invested as a limited partner in many of the largest venture funds in the sector.

Table 14. Top Global Gaming Venture Investors and Connections to China/Hong Kong/Russia.

Rank	Fund	Location	AUM	Discernable funding originating from China/HK or Russia*
1	Griffin Gaming Partners	Santa Monica, CA	$1 billion	China/HK
2	Makers Fund	Singapore, SGP.	$960 million	China/HK
3	BITKRAFT Ventures	Santa Monica, CA	$823 million	China/HK
4	Games Fund One (e.g. a16z)	Menlo Park, CA	$600 million	N/A
5	Galaxy Interactive	New York, NY	$585 million	China/HK
6	Hiro Capital	London, GBR.	$486 million	None
7	Lightspeed Gaming	Los Angeles, CA	$450 million	N/A
8	Play Ventures	Singapore, SGP. + Helsinki, FIN.	$310 million	China/HK
9	Konvoy Ventures	Denver, CO	$270 million	None
10	vgames	Tel Aviv, ISR.	$201 million	None
11	London Venture Partners	London, GBR.	$138 million	None
12	Dune Ventures	New York, NY	$100 million	N/A
13	Lumikai Fund	New Delhi, IND.	$100 million	N/A
14	MGVC	Amsterdam, DNK. Fmr. Moscow, RUS.	$100 million	Russia
15	Mechanism Play	San Francisco, CA	$100 million	N/A
16	Patron	Santa Monica, CA	$90 million	N/A
17	The Games Fund	New York, NY Fmr. Moscow, RUS.	$65 million	China/HK
18	March Capital	Santa Monica, CA	$60 million	China/HK
19	SISU Game Ventures	Helsinki, FIN.	$55 million	China/HK
20	Transcend Fund	San Francisco, CA	$50 million	None
21	GEM Capital	Cyprus, CYP. Fmr. Moscow, RUS.	$50 million	China/HK, Russia
22	Tower 26 Ventures	Santa Monica, CA	$50 million	N/A
23	1Up Ventures	Kirkland, WA	$30 million	N/A
24	Ludus Ventures	Istanbul, TUR. + Luxembourg	$30 million	None
25	TRUST ESPORT Ventures	Bordeaux, FRA.	$25 million	N/A

26	Behold Ventures	Stockholm, SWE.	$24 million	None
27	Heracles Capital	Austin, TX	$10 million	N/A

Table 14. The largest sector-specific, gaming venture investors, per Games One (https://gamesone.co/vc-rank/)
**Funding information discerned from public filings, proprietary databases, and private sources as of September 15, 2023.*

And it is not just the existence and locus of the large corporate conglomerates that is occurring but their active engagement across all levels of the industry. Tencent and ByteDance, when combined with NetEase and miHoYo, make significant investments as limited partner investors across virtually all of the notable gaming venture funds. And beyond investing in funds as a fund of fund investor, Tencent has led more than 400 individual financings into startup companies, with the overall number of investments exceeding 780, according to data. Funding is endemic, as these games demand considerable capital to produce. And while ByteDance recently announced plans to reduce involvement in gaming, it is the smallest of the major investors.

As indicated in Table 14, the funding from China-based corporate venture funds is so commonplace and prolific that, among the largest funds, it is more notable when a fund has NOT elected to accept capital from one of these geographic powerhouses. This is a complex situation, as the gaming companies are not merely limited partners of venture funds, but also the single largest exit options for both startup and mature gaming companies and publishers. Thus, there is a dual aspect to the funding: these gaming companies both seed the venture funds in early innovation, and become the preferred exit option for the majority control owners of such gaming companies. This also puts that data, and player information, at the disposal of China-based companies that are not required to abide by the same privacy and principles that align with democratic ideals.

While information on the particular habits of the global gaming community is likely less sensitive than, for example, government records of U.S. employees, financial, or health information However, it should be noted that much of the legacy successes in large language models and machine learning expertise is a byproduct from the talented human capital often originating in the gaming space. Given the dependencies and legacy element of game publishers in developing future innovations that span sectors, there is a far greater interconnected aspect than most realize. Thus, the implications of such technologies, and the leaders in the space, extend well beyond gaming. For example, the programming skills in gaming are broadly applicable to supporting ancillary, stacking technologies. These innovations portend the future of industries from artificial intelligence to machine learning to semiconductors.

Looking beyond the immediate gaming sector for analogous industries with such a concentration of dominant players (other than the most prominent example, ByteDance-owned, TikTok's global dominance), a segment with potential analogous attributes is commercial drones. The commercial drone market is dominated by Shenzhen-based, DJI Technologies, another Chinese startup that started with significant funding by U.S. venture capitalists. DJI Technologies is not only venture funded, but a Chinese-military backed company within a state-subsidized industry. It dominates the sector with more than 70% of the total commercial market share—a nearly-monopolistic, commanding position that the company wields to undercut any viable competition, while leverage the billion-plus, commercial revenue largesse as a source to drive research and development of commercial technological that advances directly into its weaponized, military segment. Global consumers inadvertently continue to undermine their own long-term interests by funding the DJI's military pursuits with commercial purchases. In doing so, DJI's complimentary businesses enhance its global clout, with the technology surfacing in virtually every conflict in the world. The gaming sector, as a counterpoint, has also benefited from a similar willingness of foreign funds to finance the rise of the sector with the influence of Tencent and NetEase, let alone ByteDance, and the elements critical to the future. All of which might similarly implicate the future of U.S. and global national security in the future. The gaming segment could prove crucial to the upcoming clash geopolitical contest for talent.

As illustrated, the vast number of the largest venture funds have accepted capital from large corporate strategies in China. If such funds find future capital options more limited, either through industry cycles or underwhelming prior-fund performance, the willingness to accept capital from the Chinese influenced corporate strategic investors becomes even more acute.

Finally, beyond mere talent, the production of games has a less obvious cultural dynamic. There are also risks to having game design overwhelmingly become a China-focused endeavor in such a culturally-sensitive industry, which has broad cultural implications of putting regional influences and characteristics of an industry catering to an impressionable, younger global audience. While the concerns may not be immediately and widespread as the pernicious aspects of ByteDance's TikTok social media, games have influence. Overlooking the relevance of developer-creation influence would be ignoring a core element of game design and influence of Western and Eastern cultures, beyond investment returns.

A viable question remains, given the prevalence of Chinese-based game designers: Should democratic countries be concerned with indirect influence? Saudi Arabia has addressed this influence by taking action, indirectly highlighting its concern by investing and elevating in homegrown production of entertainment and content, including games. The kingdom has made it clear it wants to provide a countervailing element to solely U.S. and Asian-created games. For example, Saudi Arabia's Public Investment Fund's wholly owned gaming investment arm, Savvy Gaming Group, invested nearly $1 billion into Swedish publicly-listed video game and media holding company, Embracer Group, which has twelve operating subsidiaries featuring games such as Tomb Raider, Deux Ex, Thief, Lord of the Rings, and The Hobbit. It also made an investment in another studio, Scopely. These investments were likely intended as much to encourage greater Middle Eastern involvement in game design and culture, as they were focused on generating returns, providing a clear signal of the Kingdom's interest in influencing independent game production.

Given the international audience of customers of Tencent, NetEase, and miHoYo, and the CCP's history of clamping down and exerting pressure on corporations in China, merely viewing the market strength of Tencent and NetEase as predatory would be overly simplistic. Yet the fact remains that the National Privacy Law permits access to all data, and that is an intrusion that cannot be readily dismissed. Therefore, the U.S. and global democracy cannot and should not discount the threat that looms across the world. As the infiltration of the CCP has shown in other industries, discounting the future risk of the China-related linkages is done at democracy's own peril.

APPENDIX 3. AUTOCRATIC TIES: FUND OF FUND AND SECONDARY FUND INVESTORS.

Asset-Class Spotlight: Fund of Fund and Secondary Funds.

The fund-of-fund ("fund of fund") and secondary fund ("Secondary fund" or "Secondaries") market is one of the most significant markets in private investments and finance, according to Pitchbook, comprising approximately one-sixth of the $700 billion that was raised by total private equity in 2023.

A private equity fund of funds acts as a limited partner for private equity firms, raising capital from Institutional Investors, and investing that capital in specific private equity and venture capital firms. Therefore, funds of funds invest in funds rather than specific companies — in essence creating an "extra layer" between a private equity firm and the normal set of limited partners. This provides an inherent diversification benefit for Institutional Investors and other limited partners. By investing in multiple underlying funds across different sectors, stages or geographies, these entities spread out risk. It also provides such fund of fund and Secondary investors considerable visibility across sectors, geographies, and investor classes.

Secondary fund managers purchase existing interests primarily from limited partners in direct investors (or general partner stakes from the fund manager itself), akin to a secondary market. For example, Ardian, a large fund of fund and Secondary fund investor, may purchase a stake in a direct venture capital investor like Sequoia Capital as a fund of fund investor at the outset of the fund being raised by Sequoia Capital, thereby owning a claim to part of the future equity ownership stakes of the early-stage venture fund's portfolio of startup company investments. Or alternatively, Ardian might acquire a portion of the portfolio from other limited partners seeking liquidity in the typical five-year investment period of the Sequoia Capital fund (well into the period in which Sequoia has been making direct investments in startups) through a secondary transaction (or the general partner, itself) as a Secondary fund purchaser. This allows another limited partner who owns a current portion of the fund to exit their position earlier than the final distribution and liquidation of the fund at the end of the fund's legally-structured lifecycle, often in the 10th year or later. In recent years, even larger, later-stage direct investors like Bain Capital have taken stakes as fund of funds investors attempting to gain greater visibility and insight into earlier stage companies.

The challenges of a fund of funds or Secondary funds is how to maintain portfolios of investments solely in rule of law, "clean" capital market-countries, especially when the slivers of ownership of such companies are across a multitude of diverse portfolios. This problem arises when investment stakes include stakes in controversial companies in China or countries of concern. For example, these holdings can be so vast and interwoven that they frequently include smaller 'tail' stakes, which may encompass companies like Shein, the Chinese fast-fashion apparel manufacturer implicated in Uyghur forced labor and cotton production issues (who happens to be attempting an initial public market listing in the U.S.). When these Secondary fund investors acquire stakes of existing general partners funds, these portfolios may include 10-15, even 30 or more individual company investments of these newly arriving, Secondary fund managers in an acquisition and are often captive to decisions that the prior investor has made. However, given the size of the portfolio and what could comprise upwards of 30 or more individual equity portions in companies (e.g. slivers of equity interests of companies being purchased) it is often challenging or nearly impossible to remove undesirable assets in the fund acquired. If there is a desire to exclude such ownership stakes (e.g. "orphan" stakes of ownership that are left behind) such negotiated exclusion may often pose a challenge in being carved out of a multi-billion-dollar portfolio transaction, as such stakes may not justify the time, research, and negotiation required to carve-out the stake from the transfer of the portfolio of companies given the small positions that they represent. However, these commingled portfolios often include stakes in companies like Chinese-based drone manufacturer, DJI Technologies, and others such as Shein, and ByteDance, all of whom may present national security issues.

More alarming than the ownership stake is the aspect of information that flows to funds and companies that may support China's tech innovation. Instead, the greater threat of these stakes resides with the information aspects of such funds. Thus, the information risk supersedes the potential ownership influence threat, given the smaller size of the investment by an investor that is already a minority investor, as even aberrant investors are limited in their ability to exert significant influence or take action with such a negligibly small stake.

The more amorphous, less readily apparent and overlooked — and largely undocumented — intangible influences and access is a greater threat. For example, actual influence of board positions tends to be less of an issue, given their frequently subordinate importance to Secondary fund purchases (and frequent exclusion altogether in transfers), yet information rights pose a different challenge as they may give contractual rights of access to an array of designated information reviewed by the board. Conversely, however, the information and insights are often the very core elements underlying the thesis for undertaking such investments for fund of fund investors. For fund of fund investors, the insights of having numerous ownership stakes in a portfolio gives fund managers the visibility to draw proprietary conclusions and credible, portfolio-related insights helpful in fundraising and useful across new investments. And even when information access is not evident in the ownership transfer, regular quarterly and annual updates are frequently maintained and distributed to limited partners in the fund.

The fund of fund and secondary fund investors that have either capital from, or investments in, China:

Table 15. Fund of Funds and Secondary Funds with Limited Partners/Clients from China/Hong Kong.

Firm	Firm (Cont.'d)
Aberdeen Standard Investments	Iconiq Capital
Accolade Partners	Industry Ventures
Adams Street Partners	LGT Capital Partners
AlpInvest Partners	Lexington Partners
Ardian	Pantheon
Axiom Asia Private Capital	Partners Group
Coller Capital	Pathway Capital Management
Commonfund	Peakview Capital
Cross Creek Advisors	Portfolio Advisors
Darwin Ventures	Schroders Capital
Fort Washington Investment Advisors	StepStone Group
Greenspring Associates	SwanCap Partners
Hamilton Lane	Top Tier Capital Partners
HarbourVest Partners	TrueBridge Capital Partners
Horsley Bridge Partners	Twin Bridge Capital Partners

This group of investors is a critical aspect of investment both in the U.S. and China. As the global capital flows have drawn increasing scrutiny, these capital providers' decisions have gained greater importance in the geopolitical competition. Despite the significant influence of the fund of fund and Secondary investors, they have largely been overlooked by policymakers as most attention continues to remain focused on the direct investor segment, like Sequoia, Lightspeed, and Matrix Partners, and as such these players have escaped targeted regulation, and even public attention. These funds are privy to the same information as direct private equity and venture capital investors — and perhaps even more of it given the larger and broader ownership portfolios — and also have considerable context of the critical data flowing from the U.S. and throughout the global technology ecosystem. The fact that the fund of funds and Secondary funds play such a significant role is evident in the fact that there are similar funds in China and Asia, for example Asia Alternatives, Enspire Capital, Yuanhe Capital and Zero2IPO, which play a similar gatekeeper role and are an important part of the information flows in China.

Finally, given the significant global role that these investors have in global finance, they can be critical elements in blunting autocratic advances. New methods must be considered to discourage the flow of information between technology startups in the U.S. and Chinese-commercial and military pursuits. To keep information and know-how from being used in China, and other adversarial, innovation ecosystems, safeguards must either be voluntarily agreed or forced on this class of private equity investors given their overlooked, but equally significant, influence. In many cases these funds command influence even beyond direct investors. Thus we must put greater controls in place to encourage voluntary actions that align interests, safeguard this asset class from infiltration, and eliminate hidden opportunities for CCP influence.

APPENDIX 4. THE DEMOCRACY INVESTOR RANKING.

Below are the ranked investors in order of their influence in working to preserve democracy through investing, the *Intrepid List* of Top Venture Investors in Democracy:

Table 16. Future Union's Intrepid List of Top Investors Supporting Democracy.

Future Union's *Intrepid List.*				
Rank	**Name**	**Firm**	**Notable Deals**	**Headquarters**
1	Gilman Louie	Americas Frontier Fund	ZeroFox, LookingGlass Cyber Solutions, RunSafe Security	San Francisco, CA
2	Josh Wolfe	Lux Capital	Anduril, Varda, Impulse Space, Kymeta, Siluria, Cambrios	New York, NY
3	Eric Schmidt	Innovation Endeavors/ Schmidt Futures	NewLimit, Samaya, Stairwell, Sardine, SandboxAQ	New York, NY
4	Peter Thiel	Founders Fund	Anduril, Quantum-Systems, Hermeus, Regent, Helion, HySpecIQ	San Francisco, CA
5	Steve Bowsher	In-Q-Tel	N/A	Menlo Park, CA
6	Bilal Zuberi	Lux Capital	Anduril, Varda, Impulse Space, Kymeta, Siluria, Cambrios	Menlo Park, CA
7	Trae Stephens	Founders Fund	Anduril, Varda, Impulse Space, Resilience, Senra Systems	San Francisco, CA
8	Marc Andreessen	Andreessen Horowitz	SpaceX, Okta, SkySafe, Hadrian, Okta	San Francisco, CA
9	Chris Darby	Cerberus Capital	N/A	New York, NY
10	Alberto Yépez	Forgepoint Capital	AlienVault, Huntress, Interos, Ermetic, 1Kosmos	San Mateo, CA
11	Nick Beim	Venrock	Rebellion Defense, Interos, Percepient AI	New York, NY
12	Vinod Khosla	Khosla Ventures	Adyton, Emancro, Nova Labs, NextVivo, Verdagy	Menlo Park, CA
13	Nick Sinai	Insight Partners	HawkEye 360, Rebellion Defense, LeoLabs, BrightBytes	New York, NY
14	Keith Rabois	Founders Fund	Faire, ThoughtSpot, Ghost Autonomy, Palantir Technologies	Miami, FL
15	Donald Dixon	Forgepoint Capital	CyberCube, SPHERE, Surefire Cyber, IronNet, PerspecSys	San Mateo, CA
16	Katherine Boyle	Andreessen Horowitz	SpaceX, Anduril, SkySafe, Hadrian, Castelion, Radiant	San Francisco, CA
17	Jeff Horing	Insight Partners	Corelight, Armis, Darktrace, New Relic, Wiz, Builder AI, DataSift	New York, NY
18	Robert Nelsen	ARCH Venture Partners	Colossal Biosciences, Gameto, Ligandal, Resilience, Mighty AI	Chicago, IL
19	Richard Seewald	Evolution Equity Partners	Torque, Artic Wolf, Talon Cyber, SecurityScorecard, Pentera	New York, NY

20	Bob Ackerman, Jr.	AllegisCyber Capital	Shape Security, Source Defense, Vicarious, Dragos, E8 Security	Palo Alto, CA
21	Matt Bigge	Crosslink Capital	Picnic, Britive, Revelstoke, Inpher, Bolster	Los Gatos, CA
22	Dror Berman	Innovation Endeavors	Atom Computing, Gatik, Fabric, Viz AI, GRO Biosciences, Claroty	San Francisco, CA
23	Delian Asparouhov	Founders Fund	Giraffe360, Built Robotics, Cover, Vana, Hadrian, Orbiit	Miami, FL
24	David Ulevitch	Andreessen Horowitz	Anduril, Flock Safety, Census, Castelion, Radiant	Menlo Park, CA
25	Alex Doll	Ten Eleven Ventures	Fivecast, Eclypsium, Darktrace, Barracuda Networks, Immuta	San Francisco, CA
26	Ted Schlein	Ballistic Ventures	Oligo Security, ArmorCode, Second Front Systems, Rebellion Defense	Menlo Park, CA
27	Hemant Taneja	General Catalyst	Fourier Earth, Anduril, MySun, Modular Wind Energy, Stion	Palo Alto, CA
28	Promod Haque	Norwest Venture Partners	SlashNext, Prevedere, Session AI, Brite Semiconductor	Palo Alto, CA
29	Ben Horowitz	Andreessen Horowitz	SpaceX, SkySafe, Hadrian, Databricks, Tanium, Okta	Palo Alto, CA
30	Ariel Tseitlin	Scale Venture Partners	CyberGRX, Expel, AppOmni, Upsolver, BigID, Perimeter X, Agari	Foster City, CA
31	Raj Shah	Shield Capital	HawkEye 360, Vannevar Labs, Albedo, Overwatch Imaging	San Francisco, CA
32	Yoav Leitersdorf	YL Ventures	Gutsy, Orca Security, Midigate, Axonius, Cycode	Mill Valley, CA
33	Gili Raanan	Cyberstarts	Trustmi, Savvy, Wiz, Island, Bionic, Axis Security, Fireblocks	Mikhmoret, ISRL.
34	Mark Hatfield	Ten Eleven Ventures	Darktrace, Cado, Interpres Security, Corsha, ReliaQuest	Boston, MA
35	Joe Lonsdale	8VC	Chaos, Anduril, Second Front Systems	Austin, TX
36	Dan Gwak	Point72 Ventures	Shield AI, Vannevar Labs, Stoke Space, ActZero, Agio	New York, NY
37	Ethan Batraski	Venrock	Tembo, Dgraph, Meltano, Astronomer, Decodable	Palo Alto, CA
38	Mark Spoto	Razor's Edge Ventures	X-Bow, BlackSky, Ursa Space, HawkEye 360, 908 Devices	Reston, VA
39	Dave DeWalt	NightDragon	HawkEye 360, RapidSOS, ThriveDx, Immuta, Interos, Human Security	Palo Alto, CA
40	Ed Sim	Boldstart Ventures	Protect AI, Snyk, SecurityScorecard, FortressIQ, HYPR, BigID	Miami, FL
41	Dharmesh Thakker	Battery Ventures	InfluxData, Arize, Normalyze, Galileo, Arize	Boston, MA

42	Gregory Sands	Costanoa Ventures	Vannevar Labs, Alation, SGNL, StackHawk, Aquabyte	Palo Alto, CA
43	Brian Singerman	Founders Fund	Anduril, Datavant, Forward, Radius Intelligence, Prosper Daily	San Francisco, CA
44	Chris Dixon	Andreessen Horowitz	SpaceX, SkySafe, Hadrian, Airware, DFINITY	San Francisco, CA
45	Alex Moore	8VC	Spartan Radar, Epirus, Invisible AI	Austin, TX
46	Mike Brown	Shield Capital	HawkEye 360, Vannevar Labs, Albedo, Overwatch Imaging	San Francisco, CA
47	George Hoyem	In-Q-Tel	N/A	San Francisco, CA
48	Greg Castle	Anorak Ventures	Onebrief, Anduril, Catalog, Polimorphic, WasteHero	San Francisco, CA
49	Mike Graninger	Sands Capital Ventures	ArcSight, Keyhole, CleverSafe, Vesper, DataRobot	Arlington, VA
50	Steve Herrod	General Catalyst	Datto, Illumio, Menlo Security, Contrast Security	San Francisco, CA
51	Brian Smith	In-Q-Tel	N/A	London, GBR.
52	Lior Susan	Eclipse Ventures	True Anomaly, Skyryse, Flex Logix, Bright Machines, Swift Navigations	Palo Alto, CA
53	Mike Palank	MaC Venture Capital	Galvanick, Ox, Tactyc, Flyby Robotics, Avala	Los Angeles, CA
54	Tom Gillespie	In-Q-Tel	N/A	Washington, DC
55	Elad Gil	Elad Gil Investments	Applied Intuition, Neon, Anduril, Contextual AI, Material Security	San Francisco, CA
56	Martin Casado	Andreessen Horowitz	Tabular, Astranis, Clerk, SecurityPal, Coactive, Isovalent	San Francisco, CA
57	Kelly Perdew	Moonshots Capital	RED 6, ID.me, Transmute, Gretel AI, SGNL, Harvest AI	Marina del Rey, CA
58	Mark Suster	Upfront Ventures	MakeSpace, Tact AI, Sonic Energy, Denisity, VADE	Los Angeles, CA
59	James Cross	Franklin Venture Partners	Tanium, Lark Technologies, Essential AI	San Mateo, CA
60	Nadav Zafrir	Team8 Ventures	Ox Security, Claroty, VisibleRisk, Talon Cyber Security, Curv	New York, NY
61	Ross Fubini	XYZ Ventures	Palantir, Anduril, Verkada, Apex, Air Space Intelligence, Turbine One	San Francisco, CA
62	André Pienaar	C5 Capital	Cassava Technology, Blue Cedar, Panoply, Ionir, Haven Cyber	London, GBR.
63	Paul Kwan	General Catalyst	Helsing, Anduril, Vannevar Labs, Resilience, Awardco	Boston, MA

64	Andrew McCormack	Valar Ventures	Chaos, UpGuard, Octane, Link, Parker	New York, NY
65	Brad Harrison	Scout Ventures	Voyager Space, LoneStar, BioFlyt, DeepSig, Zeno	Austin, TX
66	Satya Patel	Homebrew	Shield AI, Masterful AI, PulseData AI, BrightEdge, Lumi	San Francisco, CA
67	Andrew Scott	7percent Ventures	AeroVolt, Atreides, Challau, Gigamine, LGN Innovations	London, GBR.
68	Peter Hebert	Lux Capital	Delphi, Mythic, Survios, Flex Logix, Ripcord, SiBEAM	San Francisco, CA
69	Semil Shah	Haystack	SkySafe, Saildrone, Iris Automation, Cobalt, Silo, Awake Security	Mill Valley, CA
70	Teddie Wardi	Insight Partners	Detectify, Semperis, Corelight, Dataiku, Armis, SentinelOne	New York, NY
71	Mike Volpi	Index Ventures	Scale AI, Delinea, Clumio, Gremlin, Skyport Systems, Lookout	London, GBR.
72	Chad Anderson	Space Capital	Kayhan Space, Kognitive Network, ALL.SPACE, Rendered AI, Krucial	New York, NY
73	Shahin Farshchi	Lux Capital	Delphi, Mythic, Survios, Flex Logix, Impulse Space	San Francisco, CA
74	Aydin Senkut	Felicis	Semgrep, Tines, Verkada, Vannevar Labs, Dedrone, Vicarious	San Francisco, CA
75	Thomas Tull	US Innovative Technology Fund	Anduril, Capella Space, Shield AI	Pittsburgh, PA
76	Topher Conway	SV Angel	Applied Intuition, Epirus, Boom, Flock Safety, Tecton, Ironclad	San Francisco, CA
77	Geoff Lewis	BEDROCK	Anduril, OpenAI, Flock, Mach Industries, Epirus, Arkham	New York, NY
78	Lachy Groom	Weekend Fund	Vital Bio, Volt AI, Config, Humane, Anduril	San Francisco, CA
79	Shardul Shah	Index Ventures	Wiz, Expel, Indent, Dazz, AttackIQ, ReclaimAI, Datatdog	London, GBR.
80	Justin Fishner-Wolfson	137 Ventures	Hadrian, Anduril, Palantir, HyperLoop One	San Francisco, CA
81	Will Porteous	RRE Ventures	Ursa Space, Nanit, Spire, Understory, Spaceflight Industries	New York, NY
82	Stephen Rodriguez	Refinery Ventures	Edgybees, Ursa Major Technologies, Zignal Labs	Cincinnati, OH
83	Niki Pezeshki	Felicis	SentiLink, FarmWise, Crusoe, Explo, dNovo, Kandji	Menlo Park, CA
84	Ian Rountree	Cantos Ventures	Venus Aerospace, Sixfold Bioscience, Atomos, Skyryse	San Francisco, CA

85	Kyle Harrison	Contrary Capital	Modern Intelligence, ARC, Anduril, Pave, OneSchema, Ramp	San Francisco, CA
86	Michelle Volz	Andreessen Horowitz	Aerodome, Castelion, Radiant, Prepared	New York, NY
87	David Sacks	Craft Ventures	Trellis, Loft Dynamics, Equals, Vendr, Woflow	San Francisco, CA
88	Leo Polovets	Susa Ventures	Placer AI, AppZen, Casetext, DataFox, Creator, Modelbit	Miami, FL
89	Chris Steed	Paladin Capital	Ursa Space, Elliptic, Nisos, Cofense, Panaseer	Washington, DC
90	Brian Schettler	AEI HorizonX	Shift5, RED 6, Frontier Aerospace, Second Front Systems	Boca Raton, FL
91	Tim Guleri	Sierra Ventures	Shape Security, Balto, Phenom, Sourcefire, Agent IQ	San Francisco, CA
92	Larsen Jensen	Harpoon Ventures	Astranis, Material Security, Confluera, Semgrep, Solugen	San Diego, CA
93	Craig Cummings	Moonshots Capital	Outpost Space, Proteus Space, Zabo, Really Communications	Austin, TX
94	Venky Ganesan	Menlo Ventures	Abnormal, Obsidian, Cequence Security, Palo Alto Networks	Menlo Park, CA
95	Mike Maples, Jr.	Floodgate	Okta, OhmConnectt, TextIQ, KeepSafe, Dasient	San Francisco, CA
96	Scott Frederick	Sands Capital Ventures	Credo AI, SafeBreach, pgEdge, Secure Software	Arlington, VA
97	Bill Bartee	Main Sequence Ventures	Castlepoint Systems, Emesent, Kasada, Lumachain, Loam Bio	Sydney, AUS.
98	Erik Torenberg	Village Global	Scale AI, Applied Intuition, Crossbeam, Flexport, Secureframe	San Francisco, CA
99	Nathan Benaich	Air Street Capital	Lambda Automata, Sereact, Enveda Biosciences, Coram AI, Samaya	London, GBR.
100	Peter Fenton	Benchmark	RoboCorp, Cockroach Labs, Digits, Airtable, Zuora, Pentaho	San Francisco, CA

APPENDIX 5. LIMITATIONS ON THE DATA.

While the analysis in the *Rubicon Report* is as comprehensive as the data would permit, there were inherent limitations using private source data and, thus, the conclusions were more measured in some areas.

First, as noted, private investment information was gained from numerous private or proprietary sources, among other publicly available sources. However, in a report of this length attempting to capture such broad connections, there were inevitably gaps in the available source data that diminished the broader conclusions that could be drawn, especially with regard to specific, private University Endowment information, as detailed above. Additionally, the investment source information does not include solely private or unreported transactions and, thus, our data is dependent on sources that rely on publicly announced transactions. Most source transaction data was represented as a total without specific breakdowns of investor contributions. All this makes it difficult to determine precisely how much capital is received from any single investor in a broader subset of investors funding a larger, aggregate round of financing. Therefore, it is difficult to determine precisely how much capital from U.S. sources continues flowing to China from U.S.-based investors.

Second, determining the level of ownership or influence of the combined limited partners in China, Russia, among others, is challenging given the intentional obfuscation of the passive, limited partner investors by nearly all private equity/venture capital funds. These funds, managed by general partners, such as the nominally, U.S.-based investor, GGV Capital, have historically sourced capital from limited partners from around the globe. In the past, many of the general partners have proudly claimed passive limited partner stakes from China and Hong Kong. Additionally, significant ambiguity exists as to how to define a "U.S. investor" as many wealthy, passive limited partner investors intentionally employ sophisticated, complex ownership structures intended to shield the beneficial owner-designee as required to a degree by U.S. law and preserve the desired opacity. This may mean an investment entity from the U.S., often making an investment into the private equity/venture capital fund may originate from a geographically disparate location. Given there is an obvious challenge in tracing the ownership path when multiple entities are utilized to "step down" into new entities, thereby shielding the beneficial ownership source of such capital, especially if, and more intently when, it is derived from autocratic sources (China, Hong Kong, Russia, among others) given suspicions of the legitimacy of such actors. For instance, a U.S. venture capital firm might receive capital from Chinese or other foreign limited partners through Singapore or Cyprus that lack a legal requirement to disclose extensive detail and report the transaction (absent connections or inclusion on a government restricted, Entity List managed by the U.S. Department of Treasury, Department of Commerce or Department of Defense) even if the lineage may seem suspicious.

Third, the recordation of all the rights, especially those that are intangible, and transferred in return for an investments is problematic for database sources. This creates a challenge in creating a comprehensive accounting of all transferred rights. Thus, it is nearly impossible to discern the real intentions behind all investment and effectively track the intangible, two-way benefits that both the investors and recipients of funding ultimately receive in a quantifiable and accurate manner.

A network of U.S. and Chinese venture capital firms consolidates considerable unique expertise about the high-tech industry that can be offered to portfolio companies. And such venture fund investors tend to coalesce and remain on exceedingly friendly terms among one another to facilitate deal flow when not restricted by regulation, cultural, or business norms and frequently share information and investment opportunities. Therefore, there are obvious, and sometimes insurmountable, challenges of quantifying the numerous intangible benefits of intertwined, collusive relationships especially when the state is so inextricably linked that some companies have government officials sitting on their boards. For example, as detailed in the Fund of Fund and Secondaries section, while the number and allocation of board of director seats might be able to be discerned by a database, each database does not provide uniformity — and nearly all are silent any other rights might accompany the funding, such as information rights or partnership agreements that remain private. Thus, our research was unable to effectively assess the threat of transfer beyond a broad recognition that certain transfers in such private transactions often include additional rights and incentives that remain undocumented in control transactions, let alone minority-interest investments.

Fourth, given the broad intertwined aspect of politics and economics and the fact that many investments typically occur in pooled processes. There is an indecipherable element in many cases in such autocratic countries create, its own challenges. In this pooled group of friendly investors, numerous private equity/venture capital funds combine to "syndicate" or share investments among peers, the resulting investor groups — which tend to facilitate even greater cooperations and lead to more frequent collaborations — solidify and reinforce the durable pecuniary as well as political collective incentives of the syndicate. Thus, as these intangible and powerful relationships coalesce and develop ever deeper ties the parties gain a heightened shared interest, evincing a collusionary element akin to organized crime. This can create conflicts of interest and situations that directly contravene free market principles in which illegal or restricted conduct subject to greater regulation in democracies is accepted, commonplace and even encouraged in China and other regimes. For example, as outlined, U.S.-based venture capital funds like GSR Ventures, GGV Capital, and GL Ventures have plentiful and active connections with numerous Chinese-friendly funds, such as Sequoia China/HongShan — the China-based subsidiary of Sequoia Capital in the U.S. (which helped propelled Neil Shen to the top of Forbes/TrueBridge Capital's Midas List), and all have ties that to a select, small group of leaders of China's venture capital ecosystem and a network often connected to powerful government officials and CCP members.

Future Union attempted to assist in mapping the gaps and weaknesses in the oversight chain to help preserve and protect the fidelity of a free-market capitalist system that has, and continues to be, exploited by bad actor regimes. As policymakers and the private sector deliberate on new ways to mitigate risks and alleviate the threat of U.S. investments in China, the hope is that the foundational, fact-based nature of the data herein can be utilized in varied policy and executive-level settings. The aim of this *Report* was to provide the useful mechanisms to create productive discussions and advance regulation. The goal is to encourage, and not stifle, innovation, but with responsible constraints on adversaries gaining access and exploitation of the accelerating technologies critical to the future.

APPENDIX A. LIST OF ACRONYMS.

Adversarial Countries: These autocratic countries are defined and designated pursuant to Executive Order 13873 and Executive Order 14034, currently consisting of China (including Hong Kong), Cuba, Iran, North Korea, Russia, and Venezuela.

Autocracies: An Adversarial Country/ies.

Board Observer Right: Is a right that usually comes with an investment ownership stake that permits the investor to "observe" and attend all corporate board meetings, though without a voting right. This right still carries continuous influence and insight and information into startup/company operations. They also may include Information Rights to access any distributions or reports published to the Board, and a limited ability to seek access to company records, depending on the rights set in the corporate Articles or Bylaws.

Board of Directors: Is a role that oversees management of a startup or company and, collectively, depending on ownership interests, can vote to hire or fire a new executive team, Therefore, the CEO and executive team are often beholden to the Board, which gives them significant power and influence within the startup.

Capital Allocator: Is another name for a large institutional investor, typically with significant assets under management, that typically invests in funds once they have a proven track record of performance. The leaders tasked with overseeing such large pools of capital and forced to invest in higher yielding assets is viewed as a manager of the assets, with commensurate fiduciary duties as a steward/trustee of such capital.

CCP: Chinese Communist Party, including the leadership of the People's Republic of China led by President Xi Jinping. This term intentionally excludes those citizens who are not party members and not benefiting from policies opposite the U.S. (for example, mainstream citizens, farmers and peasants, who comprise the vast majority of the overall population).

China: References the People's Republic of China but also has a dual meaning inclusive of Chinese business entities, depending on context.

Compulsory Joint Venture: This is a typical feature of Forced Technology Transfer is pairing such transfer with a local, government-assigned peer company that receives the sensitive, proprietary technology, and often a license to be able to duplicate items (regardless of whether authorized, it is often the target of the China-venture and typically is implicated in the vast majority of "mutual" agreements between Chinese companies and other, foreign contracting parties).

Countries of Concern: On August 9, 2023, the President issued the Order pursuant to his authority under the Constitution and the laws of the United States, including the International Emergency Economic Powers Act (IEEPA), the National Emergencies Act, and Section 301 of Title 3, United States Code. In the Order, the President Biden declared a national emergency and determined the need for action due to the policies and actions of countries of concern which seek to, among other things, exploit U.S. outbound investments to develop sensitive technologies and products critical for military, intelligence, surveillance, and cyber-enabled capabilities. In an Annex to the Order, the President identified one country, the People's Republic of China (PRC), along with the Special Administrative Region of Hong Kong and the Special Administrative Region of Macau, as a country of concern. The President may modify the Annex to the Order and update the list of countries of concern in the future.

Direct Investor: In a private investment context, direct investment is the purchase or acquisition of a minority- (less than 50% control) or majority-control (more than 50% control) interest in a company by means other than secondary market purchase of shares, and thus, directly from the company or entity.

DoD: The U.S. Department of Defense.

Forced Technology Transfer: This forced "partnership" occurs when a domestic government compels foreign companies to share their technology, which includes intellectual property such as software code, formulas, product research, development plans, architectural drawings, processes, procedures, and designs. In return for this forced technology transfer, the domestic government offers foreign company market access. Typically, this is a requirement for any foreign company that want to operate in China to form joint a venture with a local company, with whom they must then share their sensitive, private technology as a precursor to any commercial relationship e.g. Compulsory Joint Venture.

Fund of Fund: The private equity fund of funds acts as a Limited Partner for private equity firms. The fund of fund raises capital from institutional investors such as pensions, sovereign wealth funds, endowments, and high-net-worth individuals, and it invests that capital in specific private equity firms. The key difference is that funds of funds invest in firms rather than specific companies or deals. The fund of funds is an "extra layer" between a private equity firm and its normal set of Limited Partners. The benefits of investors include a) diversification, as large institutional investors have diversification requirements, and they may not have enough in-house expertise to sufficiently conduct research on private equity, so this acts as a service; b) access and convenience, as investors may not have enough capital for a minimum investment in the best funds but a fund of funds can pool capital to meet threshold levels of investment and additionally may offer future access; and c) deal sourcing as some limited partners seek to have visibility into deals of other funds and want to be privy to information flow of other funds. The downside is that there are double fees for limited partners in both the direct and fund of fund and/or secondary investor.

General Partners (GP): The general partner of a venture fund raises and allocates investor capital and supports the founders of the companies that they invest in. A general partner is the manager of a private equity or venture fund. General Partners analyze potential deals and make final decisions on how a fund's capital will be allocated. General Partners get paid through management fees, carried interest, and distributions from the fund. The typical format of an agreement is a "2 and 20" model of sharing, with 20% carried interest to the GP (sometimes above a threshold and after reimbursement and payback of expenses/fees) and a 2% management fee. A General Partner is ultimately responsible for everything that occurs throughout the fund's lifespan (which is typically a five to seven year investment period with a fund lifespan of ten years). The main responsibilities of General Partners are raising capital from capital allocators/limited partners and effectively deploying the fund's capital into quality, high growth companies as investments. Once investments are made, General Partners regularly monitor the performance of portfolio companies and often provide direct support to founders. General Parnters leveraging their network to help these companies make relevant industry connections—whether potential customers, talent, or suppliers—is common. They may also assist a startup's executive team raise follow-on funding as needed. GPs must decide whether to follow-on in subsequent rounds of financing or be diluted. This decision is often based on whether or not the General Partner has secured rights to reinvest (pro rata rights) and views the ongoing potential of the company as particularly appealing and with a foreseeable path to future exit (either as an acquisition target in a M&A transaction or as an initial public offering on a market exchange).

Information Rights: Is a right that usually comes with an investment ownership stake that permits the investor to access any distributions or reports published to the Board, and a limited ability to seek access to company records, depending on the rights set in the corporate Articles or Bylaws.

Institutional Investor: These are large organizations, such as a bank, pension fund, labor union, endowment, nonprofit/foundation or insurance company, that makes substantial investments in companies. With regard to this paper, this constitutes Public Pension Funds, University/College Endowments (public or private), or Nonprofits/Foundations as the focus. These investors tend to avoid investing in early, first time funds and typically consider investing in private equity or venture capital general partners when such funds are raising their 3rd fund (as ample track record is thus available to review), as a matter of industry practice, though special circumstances exist.

Intellectual Property: This is the source code, proprietary processes or knowledge, strategies, and strategic documents and planning associated with filing for exclusive patents, and the subsequent building, or designing inventive creations that make processes more effective or efficient. China's "Made in China 2025" strategy focuses on the nation's pursuit of intellectual property to transform the nation from an assembler of products for foreign firms to a developer and inventor of its own products.

Pension Fund: Is an investment vehicle managed for a specific group of people. Thus, it constitutes any program, fund, or scheme which provides retirement income for a select group of employees, either public or private, based on some identifiable shared characteristic. Pension funds have large amounts of money to invest and are the major investors in listed and private companies. They are especially important in the public stock market where large, institutional investors dominate the asset class. The largest 300 pension funds collectively hold about $6 trillion in assets. U.S. pension funds may include state and local government employers, members, retirees and beneficiaries.

Limited Partners (LP): The individual and institutional investors are investors in private equity and venture capital funds, which are then managed by a General Partner. Like shareholders in a public corporation, LPs have limited liability to the extent of their investment and have no management authority. Thus, they can be considered "passive" investors.

Nonprofit and Foundations: Are U.S. institutions that receive special, beneficial tax treatment for conducting what is viewed as a positively influencing society. They can be very diverse, either doing little or have significant responsibilities, even performing activities that would otherwise be expected from government services. Organizations that only operate charitable activities are classified under 501(c)(3) under IRS Code. While many types of organizations are tax-exempt, yet not all qualify for 501(c)(3) status.

Office of Strategic Capital (OSC): Founded in 2022 by the Department of Defense, the OSC was designed to provide the private sector with another conduit to funding. As it states on the website: "The private sector provides the majority of capital for U.S. technology R&D and production, and private capital providers are a powerful force in shaping the agenda for America's technology advancement. Consequently, the Secretary of Defense established the Office of Strategic Capital (OSC) with the mission to develop, integrate, and implement proven partnered capital strategies to shape and scale investment in critical technologies."

Private Equity: Private Equity is an alternative investment class that invests in or acquires private companies that are not listed on a public stock exchange. Private equity is often an umbrella term for the combined private equity and venture capital area, yet the reverse is not true. Later-stage private equity investors tends to take majority control positions of companies and then improve and optimize operations before exiting. While venture capital and growth equity-stage investors tend to take minority control interest positions investing solely in high-growth companies that are typically not profitable.

Secondaries: Private equity secondary investors are funds that act as a Limited Partner for private equity firms' limited partners and offer exit paths to other Limited Partners and General Partners, themselves, of direct investment funds prior to the completion of the fund's lifecycle. Like other funds, Secondaries raise capital from institutional investors such as pensions, sovereign wealth funds, endowments, and high-net-worth individuals, and then acquire the limited partnership interest of other, existing limited partners in existing funds to allow them to exit and thus offer existing limited partners early liquidity. By design, private equity fund investments are intended to be held over the long term (typically each has a life of 7 years) but because the private equity fund's general partners do not provide existing investors a redemption mechanism prior to the fund's maturity, the secondary market is often the only option for private equity fund investors ("limited partners") to gain liquidity prior to the end of the fund's life.

Sovereign Wealth Funds (SWF): Sovereign Wealth Fund is a state-owned investment fund composed of money generated by the government, often derived from a country's surplus reserves. SWFs provide a benefit for a country's economy and its citizens. The funding for a SWF can come from surplus reserves from state-owned natural resource revenues, trade surpluses, bank reserves that may accumulate from budgeting excesses, foreign currency operations, money from privatizations, and governmental transfer payments. In general, sovereign wealth funds usually have a targeted purpose. Some countries have sovereign wealth funds that can be similar to venture capital for the private sector. The largest SWF are China, Saudi Arabia, Norway, Singapore, and Sweden.

University Endowment: University/college endowments, which are either public or private based on the university, are made up of money or other financial assets that are donated to academic institutions. Public school endowments typically have different regulatory requirements than private school endowments. Charitable donations, compounded by investment returns, are the primary means of establishing and growing an endowment.

Venture Capital: A venture capitalist is a private equity investor that provides capital to companies with high growth potential in exchange for an equity stake, typically a minority stake in a fast growing, loss-leading startup business.

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