



FLOWSTONE
PARTNERS

CONFIDENTIAL

FlowStone Opportunity Fund

June 2021

CONFIDENTIAL



Important Disclosure | Performance Reporting

(1) The performance data shown represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the past performance quoted.

(2) Returns are presented net of estimated gross expenses of 9.54% and 7.16%, net of Fee Waiver and/or Expense Reimbursement of 2.83%. If the Fee Waiver and/or Expense Reimbursement had not been in place, returns would have been lower. Performance figures do not reflect the 2% early withdrawal fee that may apply to some unit holders. Expenses are estimated as of the Fund's prospectus, effective March 26, 2021

(2) The Adviser has entered into an expense limitation agreement (the "Expense Limitation Agreement") with the Fund, whereby the Adviser has agreed to waive fees that it would otherwise be paid, and/or to assume expenses of the Fund (a "Waiver"), if required to ensure the Total Annual Expenses (excluding taxes, interest, brokerage commissions, certain transaction-related expenses, extraordinary expenses, acquired fund fees and expenses and the Incentive Fee) do not exceed 1.95% on an annualized basis (the "Expense Limit"). For a period not to exceed three years from the date on which a Waiver is made, the Adviser may recoup amounts waived or assumed, provided it is able to affect such recoupment without causing the Fund's expense ratio (after recoupment) to exceed the lesser of (a) the expense limit in effect at the time of the waiver, and (b) the expense limit in effect at the time of the recoupment. The Expense Limitation Agreement also provides that, after the commencement of operations until the first anniversary of the commencement of operations, the Adviser agrees to waive fees payable to it by the Fund on assets held in cash or cash equivalents less the total amount of capital committed by the Fund and not yet drawn for investment. The Expense Limitation Agreement will have a term ending one-year from the date the Fund commences operations, and will automatically renew thereafter for consecutive twelve-month terms, provided that such continuance is specifically approved at least annually by a majority of the Trustees. The Expense Limitation Agreement may be terminated by the Fund's Board of Trustees upon thirty days' written notice to the Adviser.

(3) Shareholders also indirectly bear a portion of the asset-based fees, performance or incentive fees or allocations and other expenses incurred by the Fund as an investor in the Portfolio Funds. Generally, asset-based fees payable in connection with Portfolio Fund investments will range from 1% to 2.5% (annualized) of the commitment amount of the Fund's investment, and performance or incentive fees or allocations are typically 20% of a Portfolio Fund's net profits annually, although it is possible that such amounts may be exceeded for certain Portfolio Fund Managers. Historically, a substantial majority of the direct investments made by the Adviser and its affiliates on behalf of their clients have been made without any "acquired fees" (i.e., free of the management fees and performance/incentive fees or allocations that are typically charged by Portfolio Fund Managers). The "Acquired Fund Fees and Expenses" disclosed above, however, do not reflect any performance-based fees or allocations paid by the Portfolio Funds that are calculated solely on the realization and/or distribution of gains, or on the sum of such gains and unrealized appreciation of assets distributed in kind, as such fees and allocations for a particular period may be unrelated to the cost of investing in the Portfolio Funds.



Important Information

BEFORE INVESTING YOU SHOULD CAREFULLY CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. THIS AND OTHER INFORMATION IS IN THE PROSPECTUS, A COPY OF WHICH MAY BE OBTAINED FROM FLOWSTONE PARTNERS AT 312-429-2419. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST.

The Shares are speculative and illiquid securities involving substantial risk of loss. An investment in the Fund is appropriate only for those investors who do not require a liquid investment, for whom an investment in the Fund does not constitute a complete investment program, and who fully understand and can assume the risks of an investment in the Fund. Investors should carefully review and consider potential risks before investing. The Fund has been organized as a non-diversified, closed-end management investment company and designed primarily for long-term investors. An investor should not invest in the Fund if the investor needs a liquid investment. The Fund could experience fluctuations in its performance due to several factors. As a result of these factors, results for any previous period should not be relied upon as being indicative of performance in future periods.

The Fund Investments may include low grade or unrated debt securities ("high yield" or "junk" bonds or leveraged loans) or investments in securities of distressed companies. Such investments involve substantial, highly significant risks. The Fund may invest in mezzanine debt instruments, which are expected to be unsecured and made in companies with capital structures having significant indebtedness ranking ahead of the investments, all or a significant portion of which may be secured. The Portfolio Fund Managers and (subject to applicable law) the Fund may employ leverage through borrowings or derivative instruments and are likely to directly or indirectly acquire interests in companies with highly leveraged capital structures.

The Fund and Portfolio Fund Managers may use derivatives and the use of derivative instruments for hedging or speculative purposes by the Fund or the Portfolio Fund Managers could present significant risks, including the risk of losses in excess of the amounts invested. The overall performance of the Fund's secondary investments will depend in large part on the acquisition price paid, which may be negotiated based on incomplete or imperfect information. Secondary investments may also incur contingent liability risk and syndicate risk. Potential lack of diversification and resulting higher risk due to concentration of allocation authority when a single adviser is utilized. The Adviser does not control the investments or operations of the Portfolio Funds. For a complete discussion of risks please review the prospectus carefully.

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Important Information

This material is published as assistance for recipients but does not constitute investment advice and is not to be relied upon as authoritative nor to be substituted for one's own judgment. This information is not a recommendation to purchase or sell a security or follow any strategy or allocation. Before making any investment decision, you should seek expert, professional advice and obtain information regarding the legal, fiscal, regulatory and foreign currency requirements for any investment according to the laws of your home country and place of residence.

The information contained herein reflects views as of a particular time and is subject to change without notice. It is for illustrative purposes only and may not be representative of current or future investments or allocations. Any forward-looking statements are based on assumptions, and actual results may vary from such statements. There is no requirement to update information provided, unless otherwise required by applicable law. While reasonable efforts have been used to obtain information from reliable sources, no representations or warranties are made as to the accuracy, reliability or completeness of third-party information presented. The information contained in this document is unaudited.



Summary

The FlowStone Opportunity Fund is a registered investment vehicle designed to provide Qualified Clients with access to the Private Equity asset class

Limited
Exposure to
Private Equity

- High Net Worth Investors (“HNWI”) and smaller institutional investors tend to be under-allocated to the Private Equity asset class when compared to larger institutional portfolios. As a result, they are not benefitting from the potential for excess risk-adjusted returns and increased diversification in their portfolios
- Private Equity is primarily oriented towards larger institutional investors. Existing investment products often do not address the high economic, operational, and psychological barriers to entry that typically prevent smaller investors from participating in the asset class

Addressing the
Problem

- The FlowStone Opportunity Fund (“FSOF”) strives to offer diversified exposure to the private equity asset class in a fund structure tailored to the requirements of HNWI and smaller institutional investors, significantly lowering multiple barriers to entry
- Private Equity returns with a reduced J-curve profile and accelerated portfolio diversification may be achieved via secondary purchases of existing fund commitments

The Fund’s investment objective is to generate appropriate risk-adjusted long-term returns by continuously building a private equity portfolio through the secondary purchase of mature fund interests, primary commitments to new funds, and direct co-investments alongside trusted private equity managers



FlowStone Opportunity Fund

FlowStone Opportunity Fund provides highly diversified Private Equity exposure through an investor-friendly structure

Proven and Experienced Team	Multi-Strategy	Intrinsic Value Orientation	Simplified Access to Private Equity
Over 63 years of combined private equity fund investing and management experience at Landmark Partners, Partners Group, MatlinPatterson, and Aberdeen Standard	Diversified access to: <ul style="list-style-type: none">• ~\$90 billion secondary market⁽¹⁾• \$203 billion primary market⁽²⁾• Direct co-investments sponsored by core private equity managers	Investment strategies focused on manager quality and acquiring assets at a discount to Intrinsic Value, reducing or eliminating the J-Curve	Low investment minimum, quarterly investment and redemption windows, immediate evergreen allocation, and timely Form 1099 tax and financial reporting

The Fund's investment objective is to generate appropriate risk-adjusted long-term returns by continuously building a private equity portfolio through the secondary purchase of mature fund interests, primary commitments to new funds, and direct co-investments alongside trusted private equity managers

⁽¹⁾Source: UBS; "Navigating a New Reality: UBS's 2021 Secondary Market Survey and Outlook" – February 2021

⁽²⁾Source: PitchBook; PitchBook's 2020 Annual US PE Breakdown – March 2021



FlowStone Opportunity Fund | Q1 2021 Summary

Fund Raising

- Q4 2020 New Investment (1/4/21): \$22.9 million
- Q1 2021 New Investment (4/1/21): \$37.2 million

Capital Deployment

- Invested/committed \$2.1 million in one Transaction⁽¹⁾
- Added one fund with exposure to 6 companies to the portfolio
 - Introduced Savant Growth Fund, a spin-out of the U.S. investment portfolio of Kennet Partners, a lower middle-market firm based in the UK
 - Portfolio construction is on-target for Transaction Type and is moving towards our target for Investment Strategy
- FSOF has deployed 66.9% of Committed Capital⁽²⁾, as of March 31, 2021
- The Adviser expects meaningful capital deployment in Q2 2021 based on the existing deal pipeline and executed letters of intent

Fund Performance ⁽³⁾

- Q1 2021: 7.1% Total Return
- One year ended March 31, 2021: 38.9% Total Return
- March 31, 2021 since inception on August 31, 2019: 24.3% Annualized Total Return
- Several liquidity and financing events are visible in the portfolio that may increase portfolio value in the short to mid-term
- On balance, the portfolio is performing at or above our expectations

⁽¹⁾See the Glossary for the definition of “Transaction(s)”

⁽²⁾Committed Capital reflects the amount of capital invested into the Fund by investors

⁽³⁾See “Important Disclosures | Performance Reporting” on page 2

Disclosure: Diversification does not ensure a profit or protect against loss.

Past performance is not indicative of future results.



FlowStone Opportunity Fund

	August 31, 2019 Inception	As of June 30, 2020	As of September 30, 2020	As of December 31, 2020	As of March 31, 2021
Net Assets⁽¹⁾	\$31.4 million	\$56.9 million	\$67.7 million	\$103.7 million	\$135.5 million
New Investment – Quarter Ended		\$7.8 million	\$9.2 million	\$19.9 million	\$22.0 million
NAV/Unit	\$10.00	\$11.29	\$11.56	\$13.67	\$14.64
Number of Transactions⁽²⁾	One	Six	Six	Ten	Eleven
Invested/Committed Capital ⁽³⁾	\$5.0 million 14.9%	\$33.4 million 64.6%	\$33.4 million 54.9%	\$67.2 million 83.2%	\$69.0 million 66.6%
Total Return Based on NAV ⁽⁴⁾ – Quarter Ended	Not Applicable	7.1%	2.4%	18.3%	7.1%
Total Return⁽⁴⁾ Based on NAV Since Inception	Not Applicable	12.9%	15.6%	36.7%	46.4%

⁽¹⁾Shareholders' Equity at the measurement date

⁽²⁾See the Glossary for the definition of "Transaction(s)"

⁽³⁾Committed Capital reflects the amount of capital invested into the Fund by investors

⁽⁴⁾See "Important Disclosures | Performance Reporting on page 2

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Fund Status

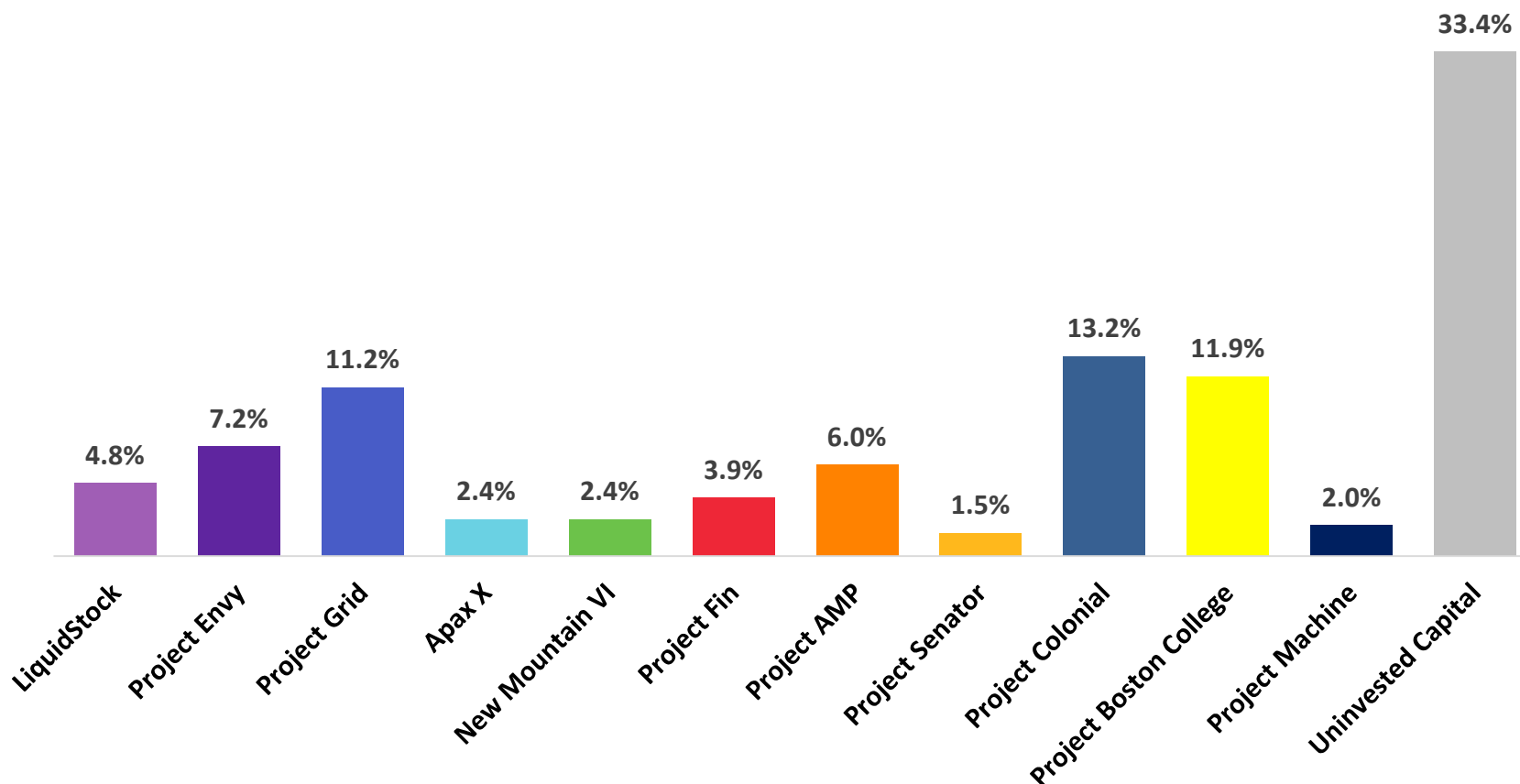
Transaction	Investment	% of Total Capital ⁽¹⁾	Closed
LiquidStock	\$5.0 million	4.8%	August 31, 2019
Project Envy	\$7.5 million	7.2%	October 31, 2019
Project Grid	\$11.6 million	11.2%	December 31, 2019
Apax X	\$2.5 million	2.4%	March 3, 2020
New Mountain VI	\$2.5 million	2.4%	June 30, 2020
Fin VC I	\$4.0 million	3.9%	June 30, 2020
Project AMPCF	\$6.2 million	6.0%	December 31, 2020
Project Senator	\$1.6 million	1.5%	December 31, 2020
Project Colonial	\$13.7 million	13.2%	December 31, 2020
Project Boston College	\$12.3 million	11.9%	December 31, 2020
Project Machine	\$2.1 million	2.0%	March 31, 2021
Total	\$69.0 million	66.6%	

⁽¹⁾Total Capital is the amount of capital invested into the Fund by investors
Disclosure: Holdings are subject to change
Note: Please refer to chart on the following page.



Fund Status

Transaction Exposure as a % of Invested/Committed Capital (\$ millions)



As of March 31, 2021 the Fund has Invested/Committed 66.6% of its Total Capital

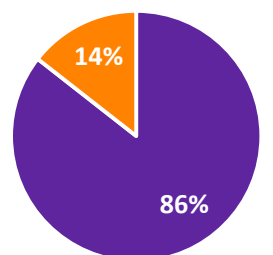
⁽¹⁾Total Capital is the amount of capital invested into the Fund by investors
Disclosure: Holdings are subject to change



FSOF Summary of Exposure – March 31, 2021

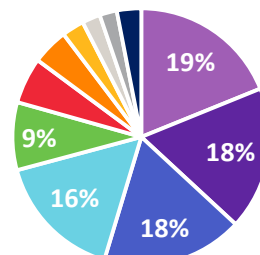
Transaction ⁽²⁾	Number of Funds	Number of Companies	Top 5 Fund Holdings By NAV ⁽¹⁾	% of NAV
Pre-2020 Transactions	17	108		
Apax X	1	6	B.C. European Capital IX	13.6%
NMC VI	1	3		
Fin VC I	1	17	Parthenon Investors III	6.7%
Project AMPCF	1	3		
Project Senator	1	6	AIC Credit Opportunities Partners Fund II	5.1%
Project Colonial	6	90		
Project Boston College	1	14	Fin Venture Capital I	3.7%
Project Machine	1	6		
Total	30	253	Francisco Partners III	3.4%

Transaction Type (Committed Capital)



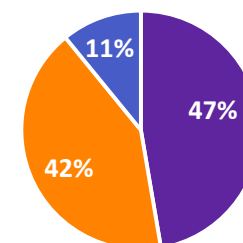
■ Secondary ■ Primary

Vintage Year (Committed Capital)



■ 2008 ■ 2019 ■ 2011 ■ 2020 ■ 2006 ■ 2018
■ 2007 ■ 2005 ■ 2014 ■ 2009 ■ 2021

Investment Strategy (Committed Capital)

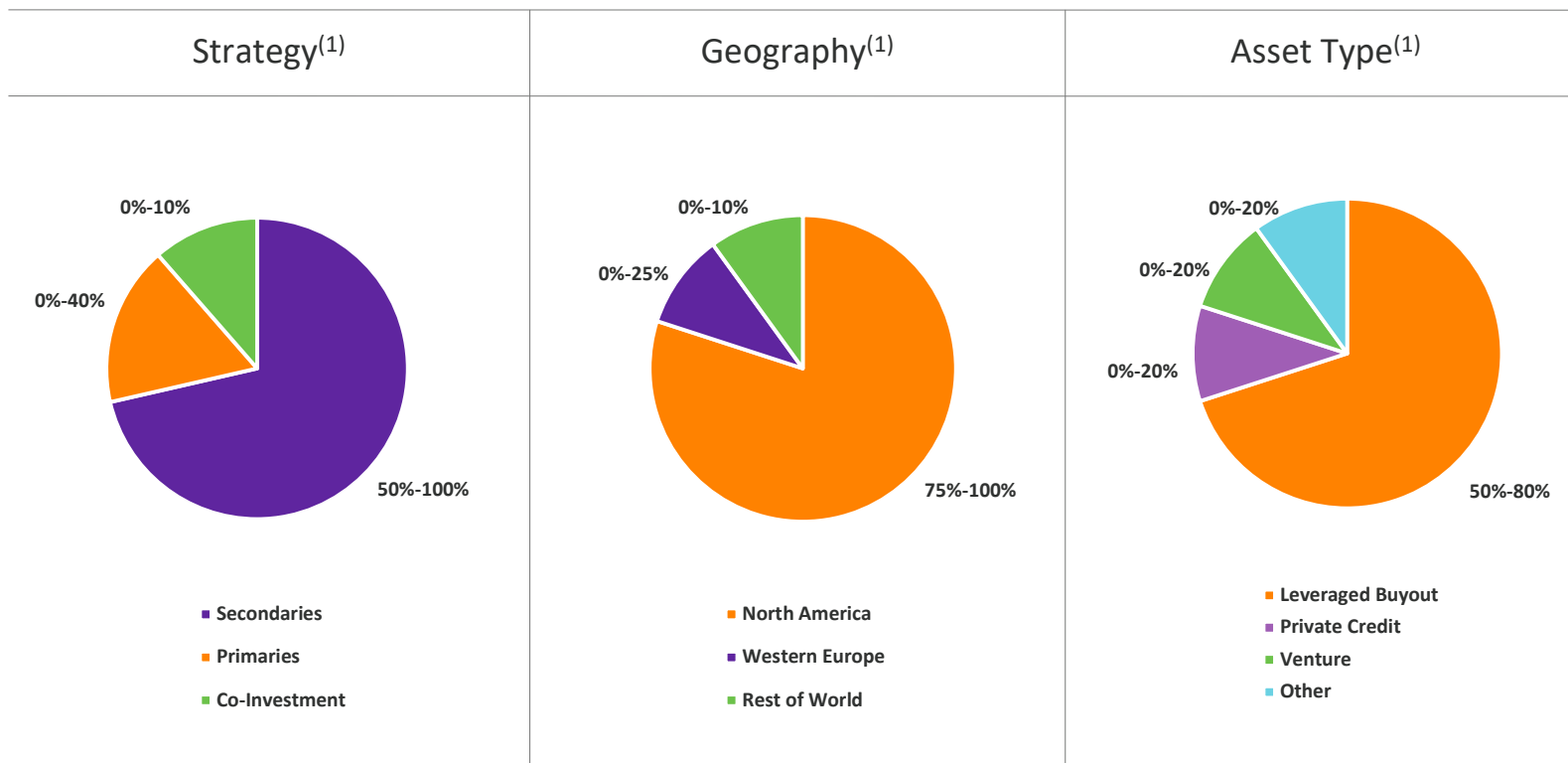


■ Buyout ■ Venture ■ Credit

⁽¹⁾Represents the five largest individual investment positions in the Fund as determined by Net Asset Value as of March 31, 2021 ⁽²⁾See Glossary for the definition of "Transaction(s)";
Disclosure: Diversification does not ensure a profit or protect against loss. Past performance does not guarantee future results; Disclosure: Holdings are subject to change



Portfolio Construction Targets



FlowStone Opportunity Fund will provide diversified exposure primarily to cash flow positive businesses in developed markets

⁽¹⁾See Glossary for definitions

Disclosure: Diversification does not ensure a profit or protect against loss. Past performance does not guarantee future results



Case Study – Project Machine



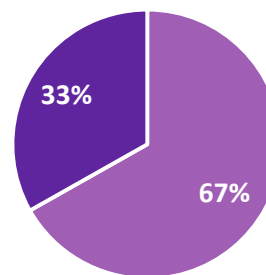
Project Machine is a spin-out of the US team of Kennet Partners, a lower middle market firm based in the UK. The US team was seeking to fully capitalize on their domestic market and thus amicably agreed with Kennet to spin-out the US team and the corresponding US-based portfolio companies. The new firm is named Savant Growth (“Savant”). Savant entered into exclusivity with a syndicate of secondary investors to capitalize Savant Growth Fund I (“Fund I”). The capital was used to: (i) acquire the equity interests of the 6 US-based portfolio companies from Kennet managed vehicles; and (ii) provide unfunded capital for follow-on investments at high performing companies and management fees

Transaction Overview	<ul style="list-style-type: none">Spin-out of the US team of Kennet Partners, which established Savant Growth and Fund I. The transaction provided the FSOF with exposure to 6 high growth software companies, all serving varying end markets
Seller Objective	<ul style="list-style-type: none">Strategic objective of establishing the Savant Growth Franchise, allowing the US team to deploy more capital in North America
Investment Attractions	<ul style="list-style-type: none">Exposure to high growth SaaS businesses, which seek to disrupt legacy industries that have relied on skilled labor to deliver products and servicesIn looking at the portfolios’ value progression, 3/31/20 appears to be a valuation trough, limiting concerns around potential future value deterioration stemming from COVID headwindsThe entry discount, coupled with the portfolio uplift from the reference date to close, should provide for an attractive write-up and downside protectionHighly attractive underlying securities, including preferred/participating preferred equity, which provides additional downside protection

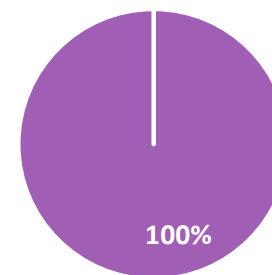
Transaction Snapshot

Transaction Type	Secondary
Total Deal Size at close (NAV + Unfunded)	\$2.6mm
Purchase price	\$1.4mm
Purchase price / NAV (at close)	73.6%
# of underlying Funds	1
# of underlying portfolio companies	6
Sourcing	Intermediary
Reference Date	Mar. 31 st , 2020
Closing Date	Jan. 7 th , 2021

Portfolio Overview



■ NAV at Ref Date
■ Unfunded at Ref Date



■ Buyout



Secondary Market Summary

Transaction Summary

2020 volume ~\$62BB down from ~\$90BB in 2019, primarily due to COVID

2021 volume estimated to be ~\$90BB

78% of 2020 volume concentrated in the Top 15 largest buyers

Intermediaries accounted for 67% of 2020 market transaction volume

GP-led and concentrated asset deals accounted for 48% of the 2020 market

2020 average market discount of 15.1% versus 25.6%⁽¹⁾ for FSOF

Competitive Summary

~\$102BB of dedicated PE secondary dry powder

Assuming a 2.5 year deployment pace, the supply-demand ratio is a favorable ~2:1

Top 24 largest buyers account for ~85% of dry powder

87% of buyers report that their deal pipelines are as large or larger than 2020

Buyers are increasingly focused on GP-led and concentrated asset deals, choosing to go further out on the risk spectrum

As expected, the first five months of 2021 have enjoyed increased deal flow. Large funds may see price pressure at the top end of the market. Large buyers are focused on GP-led deals to maintain deployment pace and returns. FlowStone focuses on the small end of the LP-interest market characterized by a smaller, diffuse buyer-set and less efficiency. We believe this may result in better pricing

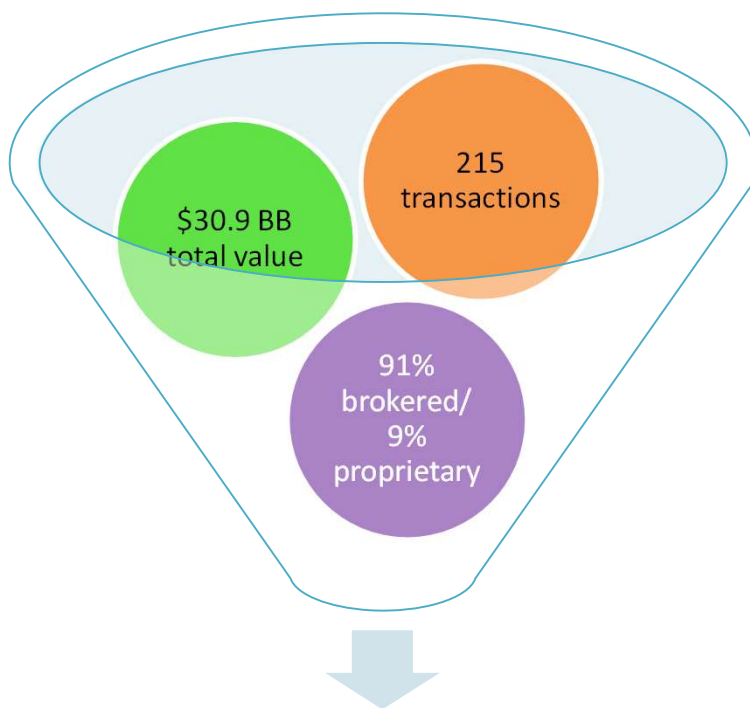
⁽¹⁾Expressed as the weighted average discount for all secondary transactions closed by the FSOF in CY 2020

Source: UBS; "Navigating a New Reality: UBS's Secondary Market Survey and Outlook" – February 2021

Please see the Glossary for a definition of terms



Investment Pipeline Summary



Brokers by Deal Count

- Setter – 16%
- Brant Street – 15%
- Evercore – 9%
- Proprietary – 9%
- Melting Point – 7%
- Other – 44%

Deal Size by Deal Count

- <\$50 million – 68%
- \$50-\$100 million – 14%
- \$100-\$200 million – 5%
- >\$200 million – 13%

The Fund is experiencing robust deal flow in what the Adviser considers to be its sweet spot for size, character, and quality. The emergence of “micro-brokers” facilitates finding deals in the small end of the market where there are fewer buyers and slightly less pricing efficiency

Disclosure: There is no guarantee that the Fund will complete these investments
Please see the Glossary for a definition of terms



Glossary

Blind Pool Investment Fund – A limited partnership that does not announce its intentions with specificity as to what investments will be made.

Buyout - Control investments in established, cash flow positive companies are generally classified as buyouts. Buyout investments may focus on small-, mid- or large-capitalization companies, and such investments collectively represent a majority of the capital deployed in the overall private equity market. The use of debt financings, or leverage, is prevalent in buyout transactions — particularly in the large-cap segment.

Co-Investments – Co-investments generally involve taking an interest in securities issued by an operating company, whether equity or debt, in parallel with a sponsoring fund manager acting as the lead investor. Direct equity investments generally involve new owners taking a material stake in the target company and may involve exercising influence on the growth and development of the company through work with the company's management and board of directors. Direct debt investments typically represent financing for buyout or growth investments and may have various features and covenants designed to protect the lender's interests.

Direct Funds – Individual private equity funds or a portfolio of individual private equity funds.

Dry Powder – A private equity investment term referring to uninvested capital subject to call by an investment fund.

E & F – Endowments and Foundations

Evergreen Fund – Evergreen Funds reinvest investment proceeds into new investments within the fund, as opposed to distributing investment proceeds to the fund's investors.

Family Office – An investment company established by a high net worth individual or family to invest and manage that investor's assets

Global Private Equity/VC Funds – Those U.S. and non-U.S. private equity and venture capital funds included in a combination of the Cambridge Associates Global Private Equity Fund and Global Venture Capital Fund Index data sets as of the dates indicated in the relevant chart footnotes. As of the March 31, 2017; and December 31, 2005, reports, these data sets are comprised of five asset classes: Buyouts, Growth Equity, Private Equity Energy, Subordinated Capital, and Venture Capital.

Global Secondary Funds – Those U.S. and non-U.S. secondary funds included in the Cambridge Associates Global Secondary Fund Index data sets as of the dates indicated in the relevant chart footnotes.

GP or General Partner – The investment manager of a private equity fund

Harvest Phase - The stage in a private equity fund's life cycle when the fund's manager begins to liquidate the fund's assets through the public and/or private capital markets. This stage typically begins in years 4-6 of a fund's life, as the investments have matured, and the investment manager has built value above cost in the individual company investments.

Intermediated – Transactions where a broker is involved and acts as an intermediary between the buy and sell side



Glossary

LOI or Letter of Intent – A non-binding agreement issued by a buyer to a seller summarizing the key terms of a purchase offer

LP or Limited Partner – An investor in a private equity fund

Intermediated – Transactions where a broker is involved and acts as an intermediary between the buy and sell side

J-Curve – The value development pattern in which the net asset value of a private-equity fund typically declines moderately during the early years of the private-equity fund's life as investment related fees and expenses are incurred before investment gains have been realized. As the fund matures and portfolio companies are sold, the pattern typically reverses with increasing net asset value and distributions.

Mezzanine - Mezzanine is a private equity industry term referring to subordinated debt investments made directly in operating companies. Investee companies are often private-equity backed. Mezzanine debt is junior to most forms of debt and liabilities in the capital structure but is senior to all forms of equity. In compensation for the risk profile, mezzanine debt generally requires a higher level of interest payment to the investor, typically in some combination of cash and in-kind payments. Often, the mezzanine investor will also require equity warrants to be associated with the debt security.

Other - Infrastructure - Infrastructure is a private equity industry term that refers to investments made directly in infrastructure projects, such as energy production plans, dams, pipelines, bridges, or other income producing facilities. These investments may be made in the form of equity, debt, revenue or profit-sharing participations, or in some combination.

Other - Natural resources - Natural resources is a private equity industry term that refers to investments made directly in assets such as oil and gas exploration and production, oil and gas distribution, or timber. These investments may be made in the form of equity, debt, revenue or profit-sharing participations, or some combination.

Primary Investments - Primary investments (primaries) are interests or investments in newly established private equity funds. Primary investors subscribe for interests during an initial fundraising period, and their capital commitments are then used to fund investments in several individual operating companies (typically ten to thirty) during a defined investment period. The investments of the fund are usually unknown at the time of commitment, and investors typically have little or no ability to influence the investments that are made during the fund's life.

Proprietary – Transactions originated via the FlowStone Opportunity Fund platform where a broker is not involved

Seasoned Primary – Similar to a Primary Investment; however, when the investor commits to the fund during the initial fundraising period, the newly established fund has already completed a number of transactions. Importantly, there is still a relatively high amount of unfunded capital that will be drawn down to make new platform investments



Glossary

Secondary Fund Size Classification

Vintage Year	Small-Cap	Mid-Cap	Large-Cap
2000-2004	<\$50MM	\$50-\$250MM	>\$250MM
2005-2009	<\$300MM	\$300-\$1,500MM	>\$1,500MM
2010-2011	<\$500MM	\$500-\$2,500MM	>\$2,500MM

Secondary Investments - Secondary Investments are interests in existing private equity funds that are acquired in privately negotiated transactions, typically after the end of the private equity fund's fundraising period. The investments of the acquired fund are usually known at the time of acquisition, and the majority of the fund's capital is typically drawn down and invested by the time of the fund's acquisition.

SWF - Sovereign Wealth Fund

Syndicate – A group of buyers who combine to purchase a specific interest

Synthetic – Secondary investors acquire an interest in a new limited partnership that is formed specifically to hold a portfolio of investments. Typically, the manager of the new fund had historically managed the assets as a captive portfolio

Total Value to Paid-In Capital ("TVPI") – The ratio of Total Value (Net Asset Value plus distributions received) to Paid-In Capital (total invested capital)

Transaction(s) - Transactions are defined as the number of individual investment transactions closed by the Fund during the measurement period. For example, a primary commitment is counted as one transaction. A completed secondary acquisition of assets is counted as one transaction, irrespective of the number assets acquired in that transaction. "Transactions" does not provide a measure of diversification but is intended to summarize the Fund's new investment activity during the measurement period.

Venture - Investments in new and emerging companies are usually classified as venture capital. Such investments are often in technology and healthcare related industries. Companies financed by venture capital are generally not cash flow positive at the time of investment and may require several rounds of financing before the company can be sold privately or taken public. Venture capital investors may finance companies along the full path of development or focus on certain sub-stages in partnership with other investors.