

Venture Share

How to split carried interest across a partnership fairly: vesting, good and bad leaver treatment, and a worked allocation model.

Overview

Carry splits break more partnerships than performance does. Venture Share is a framework for allocating carried interest among GPs, venture partners and platform staff — decided in writing before the first close, when nobody yet knows which deal will return the fund.

Principles

- Decide the split before the fund closes. Retrofitting a split after a breakout deal is nearly impossible.
- Split on contribution to the fund, not on who sourced the winner. Sourcing is one of five contributions, alongside capital raising, diligence, portfolio support and firm building.
- Vest carry over the fund's life, not the investment period, so that value creation after deployment is still rewarded.
- Write down what happens when someone leaves before anyone plans to leave.

A workable allocation model

- Base allocation (50% of the pool): split among managing partners by role and time commitment.
- Fundraising allocation (20%): allocated in proportion to LP capital each partner is credited with raising.
- Deal allocation (20%): assigned per investment to the partner who led sourcing, diligence and board support.
- Platform pool (10%): reserved for principals, venture partners, EIRs and operating staff.

Vesting and leaver treatment

- Carry vests over five years from final close: 20% per year, with a one-year cliff.
- Good leaver (death, disability, mutual agreement, retirement after full vesting): keeps vested carry, forfeits unvested.

- Bad leaver (cause, breach, competing fund during the term): forfeits both vested and unvested, subject to a defined cause standard.
- Forfeited carry returns to the pool and is reallocated by the remaining partners, not absorbed automatically by the founding GP.

Documenting it

The split lives in a GP-level agreement, separate from the LPA. LPs see the aggregate 20% carry; they do not need the internal allocation, but they will ask about key-person and succession, and a documented split is the strongest answer.

Review the allocation at each new fund, not mid-fund. Mid-fund renegotiation under pressure is exactly the situation the written framework exists to prevent.

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