



## **ITEM 1 – COVER PAGE**

Linx Partners, LLC  
1380 W. Paces Ferry Road  
Suite 2275  
Atlanta, GA, 30327  
(770) 818-0335  
[www.linxpartners.com](http://www.linxpartners.com)

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**This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Linx Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at (770) 818-0335. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Linx Partners, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

No material changes have occurred since the last brochure dated March 31, 2023.

### **ITEM 3 – TABLE OF CONTENTS**

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## **ITEM 4 - ADVISORY BUSINESS**

Linx Partners, LLC (“Linx” or “the Adviser”) was formed as a Delaware limited liability company in 1999. Linx creates and manages pooled investment vehicles including one private equity fund and seven co-investment funds. The Linx private equity fund is Linx Partners III, L.P. (the “Partnership”). Its co-investment funds include Linx-RE Co-Invest, LLC, Linx-Transpro Co-Invest, LLC, Linx-CPT Co-Invest, LLC, Linx-NEBR Co-Invest, LL, Linx-Elite Co-Invest, LLC, Linx-CTAM Co-Invest, LLC, and Linx-TGS Co-Invest, LLC (collectively, the “Co-Invests”). Effective January 1, 2020, the sole member of Linx is Barbara M. Henagan (the “Member”).

Linx Partners III, LLC was formed as a Delaware limited liability company in 2013. Its members include Barbara M. Henagan, Peter J. Hicks, Giny E. Mullins and Mark R. Niznik. Ms. Henagan and Mr. Hicks each have a 41.7% interest, and Ms. Mullins and Mr. Niznik each have a 8.3% interest. Linx Partners III, LLC is the general partner of Linx Partners III, L.P. (“Linx Fund III”).

L-Four, LLC (“L-Four”) was formed in 2021 as a Delaware limited liability company and is a related advisor to Linx. Its members include Barbara M. Henagan and Giny E. Mullins. L-Four, LLC is the Manager of a separate pooled investment vehicle – L4-CR Co-Invest, LLC (“L4 Co-Invest”). L4- GP, LLC (“L4-GP”) is the general partner of L4 Co-Invest and was formed as a Delaware limited liability company in 2021. Its members include Barbara M. Henagan, Giny E. Mullins along with current or former employees of Linx.

The Partnership, Co-Invests and L4 Co-Invest will henceforth be collectively referred to as the “Funds”.

### **Types of Advisory Services**

Linx provides investment management and advisory services to the Funds, which may include formation of the Funds, due diligence of potential investments, portfolio management and sales of portfolio companies, among other activities. Investment objectives and strategies of the Funds are typically set forth in documents, including but not limited to, the private placement memorandum and partnership agreements or limited liability company operating agreements (collectively the “Governing Fund Documents” or “Fund Documents”).

The Partnership is a pooled investment vehicle formed for the purpose of achieving capital appreciation primarily through making investments in equity securities issued by lower middle-market companies in the United States as further described in the Partnerships Governing Fund Documents. Linx Partners III, LLC acts as general partner to the Partnership and also provide a specified percentage of the capital for the formation of such Partnership.

The Co-Invests are pooled investment vehicles formed solely for the purpose of investing in and managing securities of a specific company, and only that company, and are created

from funds sourced majority from the Partnership, employees of Linx as well as other entities/individuals as deemed necessary by the Manager. Linx Fund III owns a majority interest in each Co-Invest. Linx acts as manager to the Co-Invests.

Linx's advisory services consist of acting as general partner or manager to multiple pooled investment vehicles (collectively, the "Funds") which have been created to invest in lower middle-market companies in the United States. Where Linx is the investment adviser to a Fund, the Fund—not any individual limited partner or member—is Linx's client. As such, the investment objectives and guidelines of each Partnership are not specifically tailored to the individual needs of the investors in the Partnership.

L4 Co-Invest is a pooled investment vehicle formed solely for the purpose of investing in and managing securities of a specific company, and only that company, and is created from funds sourced majority from other entities, family offices, individuals and employees of Linx as well as other entities/individuals as deemed necessary by its Manager.

### **Wrap Fee Programs**

Linx does not participate in wrap fee programs.

### **Assets Under Management**

Linx Partners had \$83.3 million in discretionary assets including uncalled capital commitments of the Partnership and \$25.0 million in non-discretionary assets (from the Co-Invest) under management as of December 31, 2023. Please see Linx's Form ADV Part 1A – Item 5.F for more information.

## **ITEM 5 - FEES AND COMPENSATION**

### **Fee Schedules**

During the commitment period, the Partnership pays Linx an annual management fee (the "Management Fee") quarterly in advance equal to 2% of the limited partners' committed capital in the Partnership; thereafter, Linx receives an annual Management Fee paid quarterly in advance equal to 2% of the Partnership's total cost basis of assets remaining in the Partnership. The Management Fee is typically offset by 80% of any fees received by Linx as described in Item 5, Other Fees and Expenses. Co-Invests do not pay Management Fees or any other fees to Linx or affiliates. Fees for each Fund are described in each Fund's respective Governing Fund Documents.

Linx reserves the right to waive all or a portion of its Management Fee as defined in the Governing Fund Documents.

The General Partner (Linx Partners III, LLC) of the Partnership has the right to receive a share of the capital appreciation of the assets of the pooled investment vehicle, referred to as "Carried Interest" based on reaching certain hurdles. The fee is calculated upon a

liquidity event for investments held by the Partnership (as described in the Governing Fund Documents). See Item 6.

The fees are not negotiable and are subject to the terms in the Governing Fund Documents.

The Co-Invests do not pay Management Fees, Carried Interest or any other performance fees

L4 Co-Invest does not pay Management Fees. L4 GP has the right to receive a share of capital appreciation of the assets of the pooled investment vehicle, referred to as Carried Interest based on reaching certain hurdles. The fee is calculated on a cash-on-cash return (as described in the Governing Fund Documents). See Item 6.

### **Deduction of Fees**

Linx deducts fees from the Partnerships' assets on a quarterly basis.

### **Other Fees and Expenses**

Linx charges portfolio companies management or other fees. In addition, Linx may receive break-up or similar fees or awards, if any, in connection with transactions not completed. 80% of break-up, deal, management or similar fees paid to Linx by the portfolio companies are first used to offset or reimburse Partnership expenses and thereafter to reduce future Management Fees payable by the Partnership.

The Partnership bears legal and organizational expenses, including the legal, travel, printing, marketing, accounting, filing, capital, start-up and other organizational expenses of Linx and its agents incurred in the formation and capitalization of the Partnership up to \$600,000.

The Partnership also pays all other costs and expenses relating to its ongoing activities (to the extent not reimbursed by a portfolio company), including but not limited to the Management Fee; all legal, auditing, consulting, financing and accounting expenses; all costs for preparation of financial statements, tax returns, and K-1's; all expenses of the Advisory committees, if applicable, and annual meetings of the limited partners; all insurance and other expenses associated with the acquisition, holding and disposition of its investments; all third-party expenses in connection with transactions not consummated; and extraordinary expenses (such as litigation).

L Four charges its portfolio company a management fee and receives reimbursement expenses paid by the portfolio company as described in the Management Agreement.

## **Prepaid Fees**

Management Fees are typically paid quarterly in advance. Management fees are generally not refundable absent certain circumstances as described in the Governing Fund Documents.

## **Compensation for the Sale of Securities**

Neither Linx, Linx Partners III, LLC, L-Four or L4 GP, LLC nor any of their owners, staff, or supervised persons accept compensation, directly or indirectly, from the sale of securities or other investment products.

## **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The General Partner (Linx Partners III, LLC) of the Partnership has the right to receive a share of the capital appreciation of the assets of the pooled investment vehicle, referred to as “Carried Interest.” The fee is calculated upon a liquidity event from each investment held by the Partnership (or as described in the Governing Fund Documents).

The L4 GP has the right to receive a share of the capital appreciation of the assets of the pooled investment vehicle, referred to as “Carried Interest.” The fee is calculated based on a cash-on-cash return as described in the L4 Co-Invest Fund Documents.

The distributions of proceeds from investments are made by the Partnership according to the Governing Fund Documents which generally provide for distributions to limited partners equal to all capital contributions and a preferred return in proportion to their funded capital commitment. Thereafter, distributions are made 80%/20% or 20%/80% to the General Partners and limited partners, respectively.

Because the percentage of profits allocated to the General Partner may exceed its capital contribution percentage, Linx may have an incentive to make investments that are riskier or more speculative than would be the case in the absence of such compensation arrangement. As described in the Governing Fund Documents, upon the liquidation of the Partnership, the General Partner may be required to restore funds to the extent that limited partners have not received distributions equal to their contributed capital plus the related preferred return. In no event shall the General Partner be obligated to restore more than the cumulative distributions received by the General Partner solely with respect to its Carried Interest (less income taxes thereon).

In addition to the performance-based fees described above, Linx receives an asset-based Management Fee as described in Item 5.

The Co-Invests do not pay Carried Interest or any other performance-based fees. The Partnerships own a majority interest in each Co-Invest which mitigates any potential conflicts of interest that arise.

## **ITEM 7 - TYPES OF CLIENTS**

Linx has a total of eight clients described in Item 4 consisting of a limited partnership and limited liability companies. L-Four has one client as described in Item 4.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Linx focuses its investments in the lower middle-market and targets companies with annual revenues between \$10 and \$80 million that meet certain business and valuation criteria. Many companies in this space lack sufficient management depth, operating financial systems or sales and marketing strategies to take their performance to the next level. Linx is committed to understanding the specific issues of such companies and addressing them through the utilization of the expertise of the Linx team, management and Linx's external operational network of executives, consulting firms and specialized experts.

Before making an investment, Linx relies upon its own industry experience, Limited Partners, industry consultants and other executive contacts to gather key competitive insight into a company. This enables Linx to gain a thorough understanding of a company prior to ownership. Below is a list of the attributes that Linx looks for in a new company investment:

- Macroeconomic thesis and trend
- CEO/management team character
- Meaningful customer service component
- Motivated management team
- Sustainable competitive advantage
- Stable, diversified customer base
- Fairly priced transaction
- CEO/management team chemistry
- Strong and defensible barriers to entry
- Proprietary products and services
- Stability and predictability of cash flow
- Strong, executable growth opportunities
- New product or geographic opportunities

The evaluating process requires a thorough due diligence review of the target company and its industry. Linx has had considerable investing and advisory experience in a variety of business niches within the light industrial manufacturing, industrial services and specialty distribution sectors.

In the course of due diligence, Linx spends a great deal of time with key managers or family/entrepreneurs of the prospective portfolio company. During these sessions, Linx works closely with the owner/managers to obtain an in-depth understanding of the business



including its history, cost structure, competitive challenges and financial capacity, as well as make a determination of the cultural fit with Linx. The goal of diligence is to validate the Fund's investment thesis, including financials of the business, identify areas of improvement and plan for the future growth of the business along with the owners/managers.

In examining potential investments, Linx completes extensive due diligence including the following disciplines:

- Historical & projection / Financial modeling
- Legal due diligence
- Environmental reports
- Insurance review
- Property appraisals
- Market studies (if applicable)
- Forensic accounting/Quality of earnings
- Background checks (company and managers)
- Management assessment
- Customer and supplier interviews

Linx has considerable experience in financing private investments, utilizing a variety of capital market sources including commercial banks, mezzanine lenders, bridge and seller financings, public debt instruments and co-investment equity sponsors. Linx strives to create prudent, flexible capital structures that can effectively support portfolio companies in both expansionary and recessionary markets. Linx executes structures starting with a conservative use of senior leverage and usually invests in the entire capital structure below the lender. In most cases, the respective Co-Invests vehicles are the controlling shareholder of the portfolio company.

Despite the extensive experience of Linx, acquiring illiquid securities in private companies involves risk of loss that the Funds should be prepared to bear.

L-Four has the same diligence process as Linx.

### **Material Risks for Significant Investment Strategies**

The following are certain material risks relating to our significant investment strategies. This list is not exhaustive. For a detailed discussion of the risks applicable to a particular Fund, investors should refer to the respective Governing Fund Documents.

#### **Reliance on Financial Projections**

The capital structure of portfolio companies will generally be established relying on financial projections based primarily on judgments made by management of such portfolio companies. Such projections are only estimates of future results based upon assumptions made when the projections are developed. Actual results may vary significantly from the

projection.

#### Potential Contingent Liabilities

In connection with the disposition of an investment, the Fund may be required to make representations concerning the business, or may be responsible for the contents of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. This may result in contingent liabilities, which the Co-Invest and the underlying Partnership and limited partners might have to fund to the extent that they have received prior distributions from the Funds or have undrawn capital commitments.

#### Risks Arising from Managerial Roles

Linx professionals typically serve as portfolio company directors and may take an active role in the management of such portfolio company. This may expose the Funds to claims by a portfolio company, its security holders and its creditors.

#### Protection of Intellectual Property

The success of portfolio companies depends heavily on their ability to establish and protect their proprietary rights through, among other things, patent prosecution. The patent prosecution process is complicated, time-consuming, expensive and uncertain. Accordingly, one or more portfolio companies may be unable to protect its technologies, which would adversely affect the portfolio company, which in turn could negatively impact performance of the Funds. Portfolio companies will not be able to guarantee: (i) their existing patents will not be challenged, or, if challenged, invalidated; (ii) their existing patents will provide sufficient protection against competitors; (iii) competitors will not independently develop similar products or designs around their patents; or (iv) they will be able to obtain future patents necessary to protect their business and/or fully execute their respective business plans. Portfolio companies may also rely on trade secret protection for certain confidential and proprietary information. Despite maintenance of policies designed to protect such trade secrets, a portfolio company may be unable to adequately protect its trade secrets, which could adversely affect such portfolio company, which in turn could negatively impact the performance of the Funds.

#### Focused Investment Strategy – Economic and Market Risks

The Partnership participates in a limited number of investments and thus may not enjoy the reduced risks of a broadly diversified portfolio. Accordingly, poor performance by a small number of larger investments could substantially affect the aggregate returns of the Funds. The Co-Invests and L4 Co-Invest participates in only one investment. A specific investment focus is inherently more risky and could cause the investments to be more susceptible to particular economic, market, political, regulatory, technological or industry conditions or occurrences compared with the Partnerships, or a portfolio of funds, that is more diversified or that has a broader industry focus.

### No Assurance of Investment Return

The Funds cannot provide assurances that it will be able to choose, make and realize investments in any particular company or portfolio of companies, or that if such investments are made, it will be able to generate returns, if any, for its investors commensurate with the risks of investing in the type of companies and transactions described in the Governing Fund Documents. Past performance is not necessarily indicative of future results. There can be no assurance that projected or targeted returns for the Funds will be achieved.

### Leveraged Capital Structures of Portfolio Companies

The leveraged capital structure of the Funds' portfolio companies may increase the exposure to adverse economic factors such as significantly rising interest rates, severe downturns in the economy or deterioration in the condition of the portfolio company or its industry. In the event a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the Funds' equity investment in such company could be significantly reduced or even eliminated.

### Illiquid Private Investments

The investments made by the Funds in privately held companies are illiquid and difficult to value. In many cases, investments in privately held companies will be long-term in nature and may require many years from the date of initial investment before disposition. Sales of securities of private portfolio companies may not be possible and, if possible, may be made at substantial discounts from costs.

### Need for Follow-On Investments

Following the Funds' initial investment, some portfolio companies may have the need for additional capital to support expansion or to achieve or maintain a competitive position, and there is no assurance that such capital will be available, particularly for private companies. There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient capital to make all or any of such investments. Any decision by the Funds not to make a follow-on investment or their inability to make such investment may have a substantial negative impact on a portfolio company in need of such investment or may result in a lost opportunity for the Funds to increase their participation in a successful operation. If the Funds do not participate in a follow-on investment opportunity and other investors provide the requested financing, the Funds' investment in the portfolio company may be substantially diluted.

### Acts of God and Geopolitical Risks

The success of Linx, L-Four, the Partnership, the Co-Invests and L4-Co-Invest could be impacted by Acts of God or other unforeseen and/or events where the Adviser, its affiliates, and third-party managers have a lack of control (collectively, "disruptions"), including, but

not limited to, natural disasters (including, without limitation, fire, flood, and earthquakes), war, terrorism, social and political discord, geopolitical events, national and international political circumstances, economic uncertainty, changes in laws, trade barriers, and other unforeseen and/or uncontrollable events with widespread impact. These disruptions may affect the level and volatility of security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment's profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions.

The extent of the impact of any such disruption on the Adviser, its clients, and any underlying portfolio investments' operational and financial performance will depend on many factors, including the duration and scope of such disruption, the extent of any related travel advisories and restrictions implemented, the impact of such disruption on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A disruption may materially and adversely impact the value and performance of any investment, the Adviser's ability to source, manage and divest investments, and the Adviser's ability to achieve its clients' investment objectives, ultimately resulting in significant losses to the Adviser's clients. In addition, there is a risk that a disruption will significantly impact the operations of the Adviser, its clients, and their underlying portfolio companies, or even temporarily or permanently halt their operations.

The Funds, Linx, their portfolio companies and their service providers are subject to risks associated with a security breach, which may occur due to a cybersecurity attack (e.g., through hackers and data thieves), insider threat, or other intentional or unintentional action affecting privacy or security. Such an attack or security breach could threaten networks, hardware and systems, computers, programs, loss or corruption of data, and misappropriation of confidential information, consumers', users', or employees' personal information, which could result in media attention, damage to employee and business relationships, litigation or regulatory fines, all of which could subject the Funds and their portfolio companies to losses and harm the Funds and their portfolio companies. Information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to the portfolio companies and the Funds.

#### Public Health Risk

The Funds could be materially adversely affected by the widespread outbreak of infectious disease or other public health crises, including the COVID-19 pandemic. As further described below, public health crises, together with any containment or other remedial measures undertaken or imposed, could have a material and adverse effect on the Funds

and their investments, including by (i) disrupting or otherwise materially adversely affecting the human capital, business operations or financial resources of the Adviser, the Funds, the Funds' portfolio companies, and/or service providers to the Funds or their portfolio companies and (ii) severely disrupting global, national and/or regional economies and financial markets and precipitating an economic downturn or recession that could materially adversely affect the value and performance of the Funds and their investments.

Public health crises and efforts to address them may result in any or all of the following: (i) the closure of the Adviser's or a portfolio company's offices or other businesses, including office buildings, factories, retail stores, distribution channels and other commercial venues, (ii) workforce, trade or travel disruptions or restrictions (including related cybersecurity incidents) negatively impacting the Adviser's or a portfolio company's operations, (iii) disruptions in regional or global trade markets and the logistics necessary to import, export and deliver products to portfolio companies and their customers, (iv) the lack of availability or price volatility of raw materials or component parts necessary to a portfolio company's business (e.g., supply-chain disruptions or delays), (v) depressed demand for a portfolio company's products or services because of reduced consumer confidence or because quarantines, restrictions on public gatherings or interactions and the forced closures of certain businesses significantly inhibit consumption, (vi) a reduction in the availability and/or adverse changes in the terms of capital or leverage, and (vii) an increased risk of investors defaulting on their obligations to the Funds. Any of the foregoing could have a material adverse impact on the Funds, their investments (including, in the case of debt investments, by adversely impacting the ability of borrowers to repay indebtedness and the value of any collateral in respect of such indebtedness) and their ability to source or complete new investments, dispose of existing investments, fulfill their obligations and raise capital.

In addition, public health crises such as the COVID-19 pandemic and containment efforts may adversely affect the ability, or the willingness, of a party to perform its obligations under its contracts and lead to uncertainty over whether such failure to perform (or delay in performing) might be excused under so called "material adverse change," force majeure and similar provisions in such contracts. As a result, (i) counterparties and service providers to the Funds or portfolio companies may fail to perform (or delay the performance of) their obligations to the Funds or their portfolio companies, (ii) pending transactions (including acquisitions and sales of assets by the Funds) may not close on time or at all, (iii) the Funds, the Adviser or a portfolio company may be forced to breach (or may determine not to perform its obligations under) certain agreements, and (iv) related litigation would likely ensue. Any of these occurrences could have a material adverse effect on the Funds and their investments, including reputational damage to portfolio companies. In addition, insurance coverage, particularly business interruption insurance, may be limited or unavailable to portfolio companies of the Funds, which may adversely impact such portfolio companies.

## **ITEM 9 – DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's, prospective client's, investor's or prospective investor's evaluation of the adviser or the integrity of the adviser's management. Neither Linx nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Broker-Dealer Registration**

Neither Linx nor any management person is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

### **Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration**

Neither Linx nor any management person is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

### **Other Material Relationships**

Linx Partners III, LLC was formed as a Delaware limited liability company in 2013 and serves as the general partner of Linx Fund III. A member of Linx Partners III, LLC is also a member of Linx.

L-Four and L4 GP were formed as a Delaware limited liability company in 2021. The members of L-Four are also members of L4-GP and Linx Partners III, LLC. A member of Linx is also a member of L-Four.

### **Receipt of Compensation from Investment Advisers**

Linx or L-Four does not recommend or select other investment advisers for its clients or receive compensation, either directly or indirectly, from other advisers.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

Linx has adopted policies and procedures including a Code of Ethics as set forth in its Compliance Manual and has been designed to comply with the requirements of Advisers Act Rule 204A-1. The Code of Ethics addresses personal trade reporting, standards of

conduct and limitations and restrictions on gifts and entertainment. All Linx employees must read and adhere to the Code of Ethics and other policies in the Compliance Manual. A copy of the Code of Ethics is available upon request to any current or prospective limited partner or member of the Funds. L Four, LLC is covered under the same Code of Ethics and Compliance Manual.

### **Participation or Interest in Client Transactions and Personal Trading**

In certain instances, related persons, including limited partners of a Partnership, and employees of Linx invest alongside a Partnership in the same securities through a Co-Invest vehicle. The timing and terms of these investments are identical and therefore present no conflict of interest to the Funds.

Instances arise where the interests of Linx potentially or actually conflict with the interests of the Funds and the limited partners or members. For example, the existence of the Carried Interest creates an incentive for Linx and its affiliates to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based arrangement. In addition, Linx is permitted to devote time and attention to certain investment vehicles in the Funds and its portfolio companies as it chooses. Conflicts of interest arise in allocating management time, services or functions between individual Funds.

The Commitment Period of Linx Fund III has ended. However, add-on investments can be made by one of the Funds or in a new platform via a newly organized co-investment vehicle. Co-Invests are organized to invest in and manage the securities of a specific portfolio company (and affiliates). The general partner may, but is under no obligation to, provide co-investment opportunities to limited partners of the Partnership, as discussed in the Governing Fund Documents.

Personal Trading is covered under the Code of Ethics policy designed to comply with the requirements of Advisers Act Rule 204A-1.

### **ITEM 12 - BROKERAGE PRACTICES**

As a private equity fund manager, Linx invests primarily in private companies and therefore, does not have regular interactions with brokers-dealers who execute trades on behalf of the Funds. Linx does not receive client referrals from broker-dealers, nor does it receive any “soft dollar” benefits. Additionally, Linx does not have any directed brokerage practices.

#### **Aggregation of Trades**

In general, the purchase and sale of securities in the same portfolio company are aggregated.

### **ITEM 13 - REVIEW OF ACCOUNTS**

Linx performs quarterly valuations of the portfolio companies owned by the Funds and continually monitors these portfolio companies and their respective financial statements. Linx reviews all Funds as it deems appropriate, but not less than quarterly, for appropriateness of holdings and transactions in accordance with the Fund's stated objectives and guidelines. Reviews are conducted by the Chief Financial Officer and the Members of the General Partners. The portfolio companies are also reviewed on a regular basis with the investment professionals regarding the investment thesis, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities and exits.

#### **Client Reports**

Linx provides each Limited Partner with the following reports in accordance with the terms of the applicable Governing Fund Documents including but not limited to (i) audited annual financial statements; (ii) unaudited quarterly financial statements; and (iii) annual tax information necessary to complete any applicable tax returns. Linx also holds annual meetings for the Limited Partners in the Partnership.

### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

Linx currently does not engage with third party placement agents.

As noted earlier, Linx or its affiliates may charge portfolio companies transaction fees, break-up fees, monitoring fees, other similar fees as covered above in Item 5 and 6.

### **ITEM 15 - CUSTODY**

Linx, L-Four, Linx Partners III, LLC and L4-GP have access to client accounts since it serves as the Manager and/or a General Partner of the Funds. Limited Partners will not receive statements from any custodians. Instead, the applicable Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Limited Partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 90 to 120 days of each applicable Fund's fiscal year end.

### **ITEM 16 - INVESTMENT DISCRETION**

In accordance with the terms and conditions of the Governing Fund Documents, and subject to the direction and control of the General Partner and the Manager of each Fund, Linx has discretionary authority to determine, without obtaining specific consent from the Funds or its Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.



## **ITEM 17 - VOTING CLIENT SECURITIES**

The Members of Linx and L-Four, along with certain other employees, will at times hold seats on the boards of portfolio companies. The respective board member will have the responsibility of voting on behalf and in the best interest of the respective Fund that owns the portfolio company.

### **Proxy Voting Policies**

The Funds are primarily invested in privately-held portfolio company investments which typically do not issue proxies.

## **ITEM 18 - FINANCIAL INFORMATION**

A balance sheet is not required to be provided as Linx does not solicit fees more than six months in advance. Linx has no financial condition that impairs its ability to meet its contractual and fiduciary commitments to its clients and has not been the subject of a bankruptcy proceeding.