

PART 2A OF FORM ADV: FIRM BROCHURE

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March 29, 2024

This “Brochure” provides information about the qualifications and business practices of Pegasus Tech Ventures, Inc. (the “Adviser”). If you have any questions about the contents of this Brochure, please contact Eri Ueda by e-mail at ueda@pegasusventures.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

The Adviser has applied as an “Investment Adviser” with the SEC. References in this Brochure to the Adviser as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about the Adviser is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

This Brochure dated March 29, 2024, has been submitted with the Advisor's application for registration with the SEC; therefore, there are no material changes to report. In the future, if the Brochure contains material changes from our last update, the Adviser will identify and discuss those changes in this section.

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ITEM 4 – ADVISORY BUSINESS

Pegasus Tech Ventures, Inc. (the “Adviser”) is a corporation formed in Delaware in 2012.

The Adviser is primarily owned by Md Anis Uzzaman and has an office in San Jose, CA.

Pegasus Tech Ventures, Inc. has been operating and reporting to the SEC as an Exempt Reporting Adviser (“ERA”) since June 2012. Following registration with the SEC, the Adviser will continue to manage a number of pooled investment vehicles.

The Adviser is a global ventures capital firm offering intellectual and financial capital to emerging technology companies around the world. In addition to a more traditional investment approach, Pegasus offers a Venture Capital-as-a-Service (VCaaS) model for large, global corporations that wish to partner with technology startups.

The pooled investment vehicles are collectively referred to as the “Clients” the “Partnership(s)” or the “Fund(s)”.

The Adviser provides discretionary investment advice to the Clients.

Neither the LPA nor the investment management agreements impose any limits on the types of securities or other instruments in which the Funds may invest, the types of positions it may take, the concentration of its investment by sector, industry, fund, country, class or otherwise, the amount of leverage it may employ or the number or nature of short positions it may take. Further, depending on conditions and trends in securities markets, the Funds may pursue strategies and/or employ techniques to the extent the Adviser considers doing so appropriate and in the Funds’ best interests.

The Adviser’s investment decisions and advice with respect to the Clients are subject to each Client’s investment objectives and guidelines, as set for in its respective “Offering Documents” which include each Client’s subscription documents, Limited Partnership Agreements (“LPA”), and other legal documents set in place when an investor decides to invest in the Adviser’s Funds.

The Adviser does not participate in wrap fee programs.

As of December 31, 2023, the Adviser had approximately \$2.15 Billion of regulatory assets under management, all of which is managed on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Management Fee. The Funds will pay the Adviser a Management Fee for managing the Funds' investment portfolio and operations. The Management Fee will be calculated separately for each limited partner, generally at a rate between 1-2% per annum of that limited partner's capital account.

The Funds generally pay the Management Fee quarterly in advance based on the value of the limited partners' capital account balances as of the beginning of the relevant calendar quarter. The Adviser may vary the Management Fee as to particular limited partners by separate agreement.

Further details with respect to Management Fee are further described in the respective Fund's offering documents.

Performance Fee. The Adviser is eligible to receive a performance-based compensation. The precise amount, manner, and calculation of such fees are disclosed in each respective Fund's offering documents.

Operating Expenses. The Funds will bear, either directly or through reimbursement to the General Partner and/or the Adviser, all of the ongoing operating costs of the Funds: custodial fees; transfer and other taxes; bookkeeping, accounting and audit fees and expenses; legal fees (including fees paid to the General Partner's and the Advisers' counsel for services that benefit the Funds); the General Partner's out of pocket costs incurred in performing its roles as a tax matters partner or partnership representative; expenses the Adviser incurs for investment research and due diligence; filing fees; travel and travel-related expenses the Adviser incurs in connection with the Funds' investment activities (including attending professional investment and industry specific conferences); costs of reporting to Fund partners; costs of Fund governance activities (such as obtaining Limited Partner consents if and when necessary or appropriate; costs of the Funds' and their affiliates' (other than the Adviser's) registration and filings with and licensing by governmental and self-regulatory organizations and costs associated with regulatory, tax, and other filing and reporting requirements by or related to the Funds, including filings required of the Adviser and/or its affiliates as a result of their involvement in the management of or provision of services to the Funds; and all other reasonable expenses related to the management and operation of the Fund and/or the purchase, sale or transmittal of its assets, all as the General Partner and/or the Adviser determines in its sole discretion.

The Adviser may, in its discretion, bear all or a portion of the Funds' operating expenses, either directly or through a waiver of a portion of the Management Fee or the Performance Fee to which it would otherwise be entitled. The Adviser does not have any obligation to do so or, if it does so for any period or in any amount, to continue doing so.

Offering and Organization Expenses. The Funds will bear, either directly or by reimbursing the General Partner, all expenses in connection with ongoing offer and sale of interests.

The Funds bear all expenditures in connection with the Funds' organization and initial offering of interests, including formation charges and professional fees and expenses in connection with the preparation of the Funds' offering documents and basic organization and contractual documents.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Pegasus is eligible to receive performance-based compensation from investors upon distribution of investments proceeds. Please see Item 5 above for a summary of such compensation.

It should be noted that the possibility of the Adviser's receipt of performance-based compensation can create a potential conflict of interest in that it could be viewed as an incentive to make riskier or more speculative investments than in the absence of such performance-based fee. However, this incentive is mitigated by the fact that losses will reduce a fund's performance, and thus the Adviser's compensation. Investors are provided with clear disclosure in Fund offering documents as to how the performance-based compensation is charged. Pegasus is of the view that the compensation structure is in line with industry standards.

ITEM 7 – TYPES OF CLIENTS

The Adviser provides investment advice to the Clients, as described in Item 4, above. The Funds are open only to investors meeting certain suitability requirements. In addition, the Funds require significant minimum capital commitment, subject to modification by the General Partner.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

As a general matter, Pegasus Tech Ventures, Inc. utilizes the methods of analysis and investment strategies described in the Funds' Governing Documents. The information contained herein is a summary only and investors should refer to and carefully review the governing documents for a complete overview of the Adviser's methods of analysis and investment strategies.

Investment in the Funds is designed only for sophisticated persons and involves a substantial degree of risk of, and exposure to, loss of capital. No guarantee or representation is made that the Partnership's investment program will be successful, that the Partnership will achieve targeted returns or that there will be any return of capital invested. Prospective investors should carefully consider the risk factors involved in an investment in the Partnership discussed below, and should consult their own legal, tax and financial advisers with respect to such risks. The risk factors discussed below are not meant to be an exhaustive listing of all potential risks associated with an investment in the Partnership.

This Certain Risk Factors includes forward-looking statements that are based on the General Partner's beliefs and assumptions. Forward-looking statements include, without limitation, information concerning possible or assumed future results of the Partnership's operations. Forward-looking statements also include statements anywhere in this Certain Risk Factors which use words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "seek to" or similar expressions. Prospective investors are cautioned that these statements are just predictions and beliefs and that our actual results are likely to differ materially from these forward-looking statements as a result of certain of the risk factors discussed in this section.

All capitalized but undefined terms contained herein shall have the meanings given to such terms in the Limited Partnership Agreement of the Partnership (as amended from time to time, the "Partnership Agreement").

Risk Related to the Partnership's Investment Program

General Investment Risks. The types of investments that the Partnership anticipates making involve a high degree of risk. In general, financial and operating risks confronting companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Partnership will be adequately compensated for risks taken. A loss of a Limited Partner's entire investment is possible. The timing of profit realization is also highly uncertain. Losses are likely to occur early in the Partnership's term, while successes often require a long maturation.

Reliance on the General Partner, its Affiliates and the Principal. The Partnership's success will depend on the General Partner's, its Affiliates' and the Principal's ability to implement and manage the Partnership's investment program and related equity investments. Limited Partners will be relying on the General Partner and its Affiliates to identify, structure and implement investments consistent with the Partnership's investment objectives and policies and to conduct the business of the Partnership as contemplated by the Partnership Agreement. The Limited Partners generally will not make decisions with respect to the management, disposition or other realization of any investment made by the Partnership, or other decisions regarding the Partnership's business and affairs. The Limited Partners will not receive the detailed financial information issued by a company that will be available to the General Partner and its Affiliates. Accordingly, the Limited Partners will not have the opportunity to evaluate the relevant economic, financial and other information that

will be utilized by the General Partner and its Affiliates in their implantation of the Partnership's investment program.

The General Partner and its Affiliates have complete discretion to make investment decisions based on the Principal's, the General Partner's and its Affiliates' team's analysis and judgment. While the General Partner, its Affiliates and the Principal have experience managing investments for clients, there is no guarantee that this past experience will result in the profitability of the Partnership. The Partnership's performance could be materially adversely affected if the Principal was to die, become ill or disabled, or otherwise cease to be involved in the active management of the Partnership's portfolio.

Company Information. The Partnership's returns on its Investments will depend on the General Partner's and its Affiliates' decisions with respect to the Partnership's Investments in a company. In making its decisions, the General Partner and its Affiliates may rely on information and data provided and prepared by third parties, including the company and others, such as third parties who provide origination and due diligence support. Although the General Partner and its Affiliates intend to evaluate the accuracy and importance of such information and data, it will not always be in a position to confirm the completeness, genuineness, or accuracy of such information and data. The General Partner and its Affiliates will use valuation procedures that the General Partner believes are fair and accurate. However, these procedures are subjective in nature, may not conform to any particular industry standards (if any such industry standards exist) and may not reflect actual values at which the investments are ultimately realized.

Financial Model Risk. The General Partner and its Affiliates may employ financial and analytical models to aid in the selection, management, and ultimate liquidation of the Partnership's Investments. If any such models are employed, the success of the Partnership's investment activities will depend, perhaps even in large part, upon the viability of these models. There can be no assurance that the models are currently viable, or will remain viable during the term of the Partnership, due to various factors, including the quality of the data input into the models and the assumptions underlying such models, which to varying degrees involve the exercise of judgment. Even if the models function as anticipated, they cannot account for all factors that may influence the returns on the Partnership's Investments. Also, there can be no assurance that the investment professionals utilizing the models will be able to determine that any model is or will become not viable, or not completely viable, or notice, predict or adequately react to any change in the viability of a model. The use of a model that is not viable or not materially viable could, at any time, have a material adverse effect on the performance of the Partnership.

Financial Projections. Financial information concerning Investments and the terms on which they are made may only be available through certain sources, including the company itself. There may be no consistent means, however, of confirming the accuracy of such information. The inaccuracy of certain assumptions and general economic conditions, which are unpredictable, can have a materially adverse impact on the reliability of any financial projections concerning the company. There can be no assurance that any financial projections can be accurately projected, and actual results may vary significantly from any such financial projections.

Company Financial Results. Company's financial results will be affected by many factors, including (i) the ability to successfully identify a market or markets in which there is a need for its products; (ii) the ability to successfully negotiate strategic alliances, licensing and other relationships for product development, marketing, distribution and sales; (iii) the progress of research and development programs with respect to the development

of additional products and enhancements to existing products; (iv) the ability to protect proprietary rights; and (v) competing technological and market developments, particularly companies that have substantially greater resources. There can be no assurance that the company will be able to achieve and maintain cost efficient operations or that any of the products or services will achieve a significant level of market acceptance. The development and commercialization of their products or services will require additional development, sales and marketing and other significant expenditures. The required level and timing of such expenditures will impact their ability to achieve profitability and positive cash flows from operations at the levels projected, or at all. There can be no assurance that the company will ever achieve significant commercial revenues or profitability.

Risks Associated with Management of Growth. To achieve its projected revenues and other targeted operating results, the company may be required to rapidly implement and improve operational, financial and management control systems on a timely basis, together with maintaining effective cost controls, and any failure to do so would have a material adverse effect on their business, financial condition and results of operations. The success of their growth plans will depend in part upon their ability to continue to attract, retain and motivate key personnel. Failure to make the required expansions and upgrades could have a material adverse effect on their business, financial condition, results of operations and relationships with their corporate partners. The results of operations for the companies will also be adversely affected if revenues do not increase sufficiently to compensate for the increase in operating expenses resulting from any expansion and there can be no assurance that any expansion will be profitable or will not adversely affect their results of operations.

Reliance on Company Management. The day-to-day operations of a company will be the responsibility of its own management team. Although the General Partner, its Affiliates and the Principal will monitor the performance of Investments and will screen for and, if necessary, recruit capable management, there can be no assurance that such management will be able to operate the company in accordance with the Partnership's expectations. In addition, the loss to the company of a member of its management team could be detrimental to the development of the company.

Market Uncertainties. Even if a company's product and service development efforts are successful, their ultimate success will depend upon market acceptance of the concepts, the products and the services. The company may not have engaged in any formal market research studies with respect to the establishment of a market for its products. There can be no assurance that performance errors and deficiencies will not be found, or if found, that they will be able to successfully correct such performance errors and deficiencies in a timely manner or at all. Even if the concepts gain initial market acceptance, competitors are likely to introduce concepts with comparable price and performance characteristics. This competition may result in reduced future market acceptance for their products and decreasing sales and lower gross margins which could have a material adverse effect on the business, financial condition and results of operations of the Partnership and the company.

No Assurance of Additional Capital for Investments. Even if a company is successful generating revenues and expanding its service offerings, it may require additional financing to continue product and service development, testing and, ultimately, marketing and other operational activities. Moreover, its cash requirements may vary materially due to service development results, service testing results, changing relationships with strategic partners, changes in the focus and direction of its research and development programs, competitive and technological advances of competitors, and other factors.

Additional financing may not be available when needed or on acceptable terms. If additional financing is not

available, the company may need to delay, scale back or eliminate certain of its product development, marketing or other activities, or even be forced to cease operations and liquidate.

Limitations on Ability to Exit Investments. The General Partner and its Affiliates expect to exit from the Partnership's Investments through private sales (including acquisitions of a company by third parties) and through a public offering. At any particular time, any one of these avenues may not be open to the Partnership, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time. The Partnership's Investments may also not be advantageously disposed of prior to the date that the Partnership will be wound-up and dissolved, either by expiration of the Partnership's term or otherwise. The Partnership may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Risks from the Provision of Managerial Assistance. The Partnership may, if requested by a company, designate directors to serve on the boards of directors of the company. A board member designated by the Partnership will likely owe fiduciary duties to persons other than the Partnership. The designation of directors and other measures contemplated could expose the assets of the Partnership to claims by the company, its security holders and its creditors for breaches of fiduciary duties, securities claims and other director- related claims. The exercise of control over the company imposes additional risks of liability for failure to supervise management, violation of governmental regulations and other types of liability for which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to occur, the Partnership could suffer losses in its Investments. Typically, the company will have insurance to protect directors and officers, but this insurance may be inadequate. The Partnership will also indemnify the General Partner, its Affiliates, their respective owners, and the Principal, among others, for liabilities incurred in connection with operations of the Partnership, including liabilities arising from such suits. Such indemnification obligations and other liabilities could be substantial. While the General Partner and its Affiliates intend to manage the Partnership in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Limited Portfolio Diversification. The Partnership intends to participate in a significantly small number of investments in a single company and, as a consequence, the aggregate return of the Partnership may be adversely affected by the unfavorable performance of even a single Investment. Furthermore, to the extent that the capital raised is less than the targeted amount, the Partnership may make fewer Investments and thus be even less diversified. A downturn of the economy or in the business will almost certainly impact the aggregate returns delivered to the Limited Partners.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of an Investment, the Partnership may be required to make representations about a company's business and financial affairs typical of those made in connection with the sale of a business. The Partnership may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

Redemption or Dividend Policy. Company may, but is not expected to, repurchase its securities or to pay dividends to stockholders such as the Partnership.

General Economic and Market Conditions. The success of the Partnership's activities may be materially affected by general economic and market conditions, including interest rates, inflation rates, economic uncertainty, availability of credit, financial market volatility, changes in laws and national and international political circumstances. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. The availability, unavailability or hindered operation of external credit markets, equity markets and other economic systems which the Partnership may depend upon to achieve its objectives may have a significant negative impact on the Partnership's operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for the Partnership to operate successfully. These factors may adversely impact the performance and growth prospects for a company and its ability to execute on its business plans.

Absence of Liquidity. The Investments will be private, illiquid holdings. As such, there will be no public markets for the securities held by the Partnership and no readily available liquidity mechanism at any particular time for any of the Investments held by the Partnership. In addition, the realization of value from any Investments will not be possible or known with any certainty until the General Partner elects to sell the Partnership's Investments and subsequently distribute the proceeds to its investors or to distribute securities to investors in lieu of cash. Consequently, the Limited Partners will bear the economic risks of their investment for the term of the Partnership with no certainty of return.

No Assurance of Returns. There can be no assurance that the Limited Partners will receive distributions from the Partnership in an amount equal to their investment in the Partnership as the Partnership's investments in a company are speculative and can result in the partial or total loss of capital. Investment in a company involves a high degree of risk. The company may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial personnel. Since the Partnership will only make a limited number of Investments and since many of the Partnership's investments may involve a high degree of risk, poor performance by a few of the Investments will almost certainly severely affect the total returns to investors.

The Partnership's operating costs, including the Management Fee payable to the General Partner, may exceed the Partnership's income, thereby requiring the difference to be paid out of the Partnership's capital account. It is possible these losses may never be recovered. The timing of profit realization, if any, is highly uncertain. Losses on unsuccessful investments may be realized before gains are realized on successful investments.

The Use of Reserves May Reduce Net Cash Flow. The Partnership may set aside reserves from time to time in anticipation of making capital expenditures or paying potential Partnership expenses in the future. The practice of setting aside reserves effectively reduces the Partnership's net cash flow which otherwise may have been distributed to Limited Partners.

Forward-Looking Statements. This Offering involves the use of forward-looking statements, which involve assumptions on the part of the Partnership regarding a company's competitive advantages and disadvantages, the Partnership's ability to raise the needed capital in future marketplaces, and potential customer interest in the company's products and services. As such, these forward-looking statements may not accurately project the Partnership's future economic situation, nor the future economic situation of the company, and potential investors must use caution and their own judgment in evaluating such statements.

Risks Related to Company

Competition. The industry in which a company operates is competitive and involve a high degree of business and financial risk. The company will ultimately have many competitors, from single-office companies to national enterprises. Many of these competitors may have established public images and greater financial strength and personnel resources than the company, each of which could adversely impact the company's market position, brand recognition, and ability to successfully sell the services and products to potential customers. All of these factors could materially affect the company's financial viability and, consequently, the Partnership's ability to achieve its investment objective.

Limited Service and Product Offerings. A company offers a limited number of services and/or products when compared to the variety of choices offered by their competitors. The lack of customer choices as compared to those competitors may undermine the company's efforts to attract and retain repeat customers and ultimately affect the company's long-term success and expansion efforts.

Technological Advances. As the cost of computers and manufacturing have continued to decrease, the application of new technologies towards existing industries has significantly increased. Many of the services and products offered by a company could ultimately be replaced, or offered at materially reduced costs, due to such technological advances. There is no guarantee that the services or products offered by the company will remain in demand during the term of the Partnership. Any such reduction in demand due to technological advances could adversely affect the operations and financial viability of the company and, consequently, the ability of the Partnership to achieve its investment objective.

Intellectual Property Risks of Company. Intellectual property rights may be crucial to a company. The General Partner anticipates and expects the company will endeavor to obtain and protect their intellectual property rights in jurisdictions in which their products are produced or used and in jurisdictions into which our products are imported. However, different nations may provide limited rights and inconsistent durations of protection for the company's products. The company may be unable to obtain protection for its intellectual property in key jurisdictions. Even if protection is obtained, competitors or others in the chain of commerce may raise legal challenges to the company's rights or illegally infringe on its rights, including through means that may be difficult to prevent or detect. In addition, because of the rapid pace of technological change, and the confidentiality of patent applications in some jurisdictions, competitors may be issued patents from applications that were unknown to the company prior to issuance. These patents could reduce the value of the company's commercial or pipeline products or, to the extent they cover key technologies on which the company unknowingly relied, require that the company seek to obtain licenses or cease using the technology, no matter how valuable to the company's business. There is no assurance that such a license could be obtained on acceptable terms. The extent to which the company succeeds or fails in its efforts to protect its intellectual property will affect the company's costs, sales and other results of operations and, consequently, the ability of the Partnership to achieve its investment objectives.

The Company may not develop products successfully or in a timely manner. Many of the company's mission solutions, products, services and technologies are currently in various stages of development. Further development and testing of the company's products and technologies will be required to prove additional performance capability beyond current levels and to confirm commercial viability. Additionally, the final cost of development cannot be determined until development is complete. It is difficult to predict accurately the

total cost of executing these programs. If the costs to complete these programs significantly exceed the payments from the company's customers under contracts, the company's results of operations will be harmed.

The company's mission solutions, products, services and technologies are, and will continue to be, subject to significant technological change and innovation. The company's success will generally depend on the ability to continue to conceive, design, manufacture, and market new products and services on a cost-effective and timely basis. The company may incur significant expenses in the design and initial manufacture and marketing of new products and services. Some of these costs may be covered by the company's customers or partnership arrangements. However, there can be no assurance that significant costs will not be incurred by the company.

If the company's key suppliers fail to perform as expected, their reputation may be damaged. The company may experience delays, lose customers, and experience declines in revenues, profitability, and cash flow. The company purchases a significant percentage of product components and subassemblies from third parties. If these subcontractors fail to perform as expected or encounter financial difficulties, the company may have difficulty replacing them or identifying qualified replacements in a timely or cost-effective manner. As a result, the company may experience performance delays that could result in additional program costs, contract termination for default, or damage to their customer relationships which may cause revenues, profitability, and cash flow to decline. In addition, negative publicity from any failure of the company's products or sub-systems as a result of a supplier failure could damage their reputation and prevent the company from winning new contracts.

The company is subject to environmental regulation. The company is subject to various federal, state and local environmental laws and regulations relating to the operation of the business, including those governing pollution, the handling, storage, disposal and transportation of hazardous substances and the ownership and operation of real property. Such laws and regulations may result in significant liabilities and costs and the loss of permits required to conduct certain operations. There can be no assurance that a failure to comply with such laws and regulations would not have a material adverse effect on the business in the future.

Many of the company's contracts contain performance obligations that require innovative design capabilities, are technologically complex, require state-of-the-art manufacturing expertise or are dependent upon factors not wholly within their control. Failure to meet the contractual obligations could adversely affect the profitability, reputation and future prospects. The company may design, develop and manufacture technologically advanced and innovative products and services, which are applied by their customers in a variety of environments, including some under highly demanding operating conditions. Problems and delays in development or delivery, or system failures, as a result of issues with respect to design, technology, intellectual property rights, labor, inability to achieve learning curve assumptions, inability to manage effectively a broad array of programs, manufacturing materials or components, or subcontractor performance could prevent the company from meeting requirements and may create significant risk and liabilities. Similarly, failures to perform on schedule or otherwise to fulfill contractual obligations could negatively impact financial position, reputation and ability to win future business.

In addition, the company's products cannot be tested and proven in all situations and are otherwise subject to unforeseen problems. Examples of unforeseen problems that could negatively affect revenue, schedule and profitability include premature failure of products that cannot be accessed for repair or replacement, problems with design, quality and workmanship, country of origin of procured materials, inadequate delivery of

subcontractor components or services and degradation of product performance. These failures could result, either directly or indirectly, in loss of life or property. Among the factors that may affect revenue and profitability could be inaccurate cost estimates, design issues, human factors, unforeseen costs and expenses not covered by insurance or indemnification from the customer, diversion of management focus in responding to unforeseen problems, loss of follow-on work, and, in the case of certain contracts, repayment to the government customer of contract cost and fee payments previously received, or replacement obligations.

Certain contracts contain provisions that also entitle the customer to recover fees in the event of failure of the system upon launch or subsequent deployment for less than a specified period of time. Under such terms, the company could be required to forfeit fees previously recognized and/or collected.

If the company is unable to meet obligations, including due to issues regarding the design, development or manufacture of products or services, it could have a material adverse effect on the reputation and ability to compete for other contracts and the financial position, results of operations and/or cash flows.

Risks Related to Government Contracts

The success of the company may significantly depend on obtaining and maintaining contracts with the United States federal government, which creates unique risks when compared with other investment strategies. Some of the risks associated with the government contracts are discussed below.

The company may not be successful in winning new contracts, which could have an adverse impact on its business and prospects. The company's contracts with the federal government are typically awarded through a competitive bidding process. This competitive bidding process presents a number of risks, including the following:

- The company may bid on programs for which the work activities, deliverables, and timelines are vague or for which the solicitation incompletely describes the actual work, which may result in inaccurate pricing assumptions;
- The company may incur substantial costs and spend a significant amount of managerial time and effort preparing bids and proposals; and
- The company may incur the opportunity cost of not bidding on and winning other contracts that it may have pursued otherwise.

Because the company's contracts are typically for a fixed duration, if it is unable to win a particular new contract, it may be prevented from providing the customer the services that are purchased under that contract for a number of years. If it is unable to consistently win new contract awards, its business and prospects may be adversely affected, and the actual results may differ materially and adversely from those anticipated.

U.S. government contracts are only partially funded, and the termination, expiration or non-renewal of the company's existing U.S. government contracts may adversely affect its business. The U.S. government services marketplace is characterized by contracts of shorter duration as compared to large production and systems integration programs. U.S. government services contracts generally are of a finite duration of five years and usually range between three and ten years. The U.S. Congress usually appropriates funds on a fiscal year basis even though a program may extend across several fiscal years. Consequently, programs are often only partially funded initially, and additional funds are committed only as the U.S. Congress approves further

appropriations. The termination or reduction of funding for a U.S. government program would result in a loss of anticipated future revenue attributable to that program, which could have an adverse impact on the company's operations. In addition, the termination of a program or the failure to commit additional funds to a program that already has been started could result in lost revenue and increase overall costs of doing business.

Prior to the expiration of a contract, if the customer requires further services of the type provided by the contract, it typically begins a competitive rebidding or recompetete process. There can be no assurance that the company will be able to renew or replace the current contracts upon expiration or completion. As contracts are recompeteted, the scope, scale or profitability or other contract elements of the new contract could materially differ from the original contract. In addition, the U.S. government may terminate any of government contracts, in whole or in part, at any time at its convenience with little or no notice. Additionally, the U.S. government may terminate contracts for default if the company fails to meet its obligations under a contract. If any contracts were to be terminated for convenience, the company generally would be entitled to receive payment for work completed and allowable termination or cancellation costs. If any of government contracts were to be terminated for default, generally the customer would pay only for the work that has been accepted; moreover, the customer can require the company to pay the difference between the original contract price and the cost to reprocure the contract deliverables, net of the work accepted from the original contract. In addition, the U.S. government can also hold the Company liable for damages resulting from the default.

The expiration, non-renewal or termination of any government contracts, whether for convenience or default, would adversely affect the company's current programs and reduce revenue, earnings and cash flows. A termination for default may also negatively affect the company's reputation, performance ratings and the ability to win new contracts, particularly for contracts covering the same or similar types of services.

The company's earnings and margins may depend, in part, on subcontractor performance. The company may rely on other companies to perform some of the services that are provided to customers. Disruptions or performance problems caused by the subcontractors could have an adverse effect on the ability as a prime contractor or higher tier subcontractor to meet commitments to customers.

The company may have disputes with its subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, the failure to extend existing task orders or issue new task orders under a subcontract, proper invoicing, cost reasonableness, allocability, allowability, the hiring of each other's personnel, adjustments to the scope of the subcontractor's work, or the subcontractor's failure to comply with applicable law or regulations. Uncertain economic conditions heighten the risk of financial stress of the subcontractors, which could adversely impact their ability to meet their contractual requirements to the company. If any of the subcontractors fail to timely meet their contractual obligations or have regulatory compliance or other problems, the ability to fulfill obligations may be jeopardized. Significant losses could arise in future periods and subcontractor performance deficiencies could result in the termination for default.

The U.S. government may adopt new contract rules and regulations or revise its procurement practices in a manner adverse to the company at any time. The company, due to its reliance, on the procurement of U.S. government contracts, continues to experience significant changes to business practices as a result of an increased focus on affordability, efficiencies and recovery of costs, among other items. U.S. government agencies may face restrictions or pressure regarding the type and amount of services that they may obtain from

private contractors. Legislation, regulations and initiatives dealing with procurement reform, mitigation of potential organizational conflicts of interest, deterrence of fraud, and environmental responsibility or sustainability could have an adverse effect. Moreover, shifts in the buying practices of U.S. government agencies (such as increased usage of fixed price contracts, multiple award contracts and small business set-aside contracts) could have adverse effects on government contractors. Any of these changes could impair the company's ability to obtain new contracts or contract renewals. Any new contracting requirements or procurement methods could be costly or administratively difficult to implement and could adversely affect future revenues, profitability and prospects.

The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring an Interest. Prospective investors are urged to read the entire Partnership Agreement and the Subscription Agreement before making a determination whether to invest in the Partnership.

ITEM 9 – DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a Client or potential client's evaluation of Pegasus Tech Ventures, Inc.'s advisory business or the integrity of its management.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Pegasus Tech Ventures, Inc. nor its employees are registered as broker-dealers, and neither has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Adviser's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to the Adviser's "Access Persons". Access Persons include, generally, any partner, officer or director of the Adviser and any employee or other supervised person of the Adviser (or an affiliate) who, in relation to the Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All employees and relevant contractors of the Adviser are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account the Adviser's status as a fiduciary and requires Access Persons to place the interests of the Clients and investors above their own interests and the interests of the Adviser. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of the Adviser's Chief Compliance Officer (the "CCO"). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt and understanding of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Adviser's CCO with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, the Adviser's Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1. Further, the Adviser may place certain securities on a "Restricted List" comprised of names of issues of securities about which the Adviser (including Access Persons) have learned material, nonpublic information. Access Persons are strictly prohibited from purchasing or selling securities that appear on the Restricted List.

In addition, the Code seeks to ensure the protection of nonpublic information about the activities of the Clients, investors and prospective investors. Investors or prospective investors may obtain a copy of the Code by contacting the CCO, Eri Ueda at ueda@pegasusventures.com.

Access Persons are permitted to make securities transactions in their personal accounts. This presents potential conflicts in that an Access Person could make improper use of information regarding a Client's holdings or future transactions or research paid for by the Client. An Access Person could take for himself or herself an investment opportunity available to a Client or could engage in "front-running" of the Client's investment.

Pegasus Tech Ventures, Inc. seeks to manage the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons. The Adviser requires that Access Persons pre-clear certain securities transactions in their personal accounts, including transactions in public equities and equity-like securities, initial public offerings ("IPOs"), limited offerings, and securities of any company that operates in the industries that are within the scope of the investment activities of the Adviser. Access Persons must also obtain pre-approval from the CCO prior to engaging in any outside business activities. Requests for pre-clearance are reviewed for potential conflicts of interest with the Clients.

Pegasus Tech Ventures, Inc. will provide a copy of the Code to our investors, or any prospective investors, upon request.

ITEM 12 – BROKERAGE PRACTICES

As described in Item 4 above, Pegasus Tech Ventures, Inc. is the investment adviser to the Clients. Due to the nature of the Clients' investment strategies, the Adviser generally does not select or recommend broker-dealers for investments transactions. However, if necessary, the Adviser will select broker-dealers based upon a number of factors in accordance with best execution.

The Adviser does not utilize "soft dollars."

As a matter of fiduciary duty, the Adviser will ensure that all Clients are treated in a fair and equitable manner.

ITEM 13 – REVIEW OF ACCOUNTS

Pegasus Tech Ventures, Inc. continuously monitors and analyzes the transactions, positions, and investment levels of the Funds to ensure they conform with the investment objectives and guidelines that are stated in the Funds' offering documents. In these reviews, the Adviser pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the market.

The Funds will furnish to each investor quarterly performance updates and an annual report that will include audited financial statements as of the end of each fiscal year.

ITEM 14 – CLIENT REFERRALS AND COMPENSATION

Pegasus Tech Ventures, Inc. has an agreement in place with a third party for the purpose of soliciting prospective investors in the Funds. All such compensation for each agreement is fully disclosed to each investor consistent with applicable law. In general, the Adviser may pay third party solicitors out of the fees it receives with regard to the Funds for investor referrals. All such referral activities will be conducted in accordance with SEC Rule 206 (4)-3 under the Advisers Act, as well as relevant guidance.

ITEM 15 – CUSTODY

Pegasus Tech Ventures, Inc. is deemed to have custody of Client assets pursuant to Advisers Act Rule 206(4)-2. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), the Adviser will distribute each of the Fund's audited financials to investors within 120 days of such Funds fiscal year end.

Fund assets and securities are maintained with a qualified custodian. The qualified custodians utilized by Pegasus Tech Ventures, Inc. are disclosed in the Adviser's Form ADV Part 1.

ITEM 16 – INVESTMENT DISCRETION

Pegasus Tech Ventures, Inc. has discretionary authority to manage securities accounts on behalf of the Clients. The Adviser is authorized to make transaction recommendations for the Clients. As explained in Item 8 above, the Client's investment strategy is set forth in detail in such Client's Governing Documents. Fund investors do not have the ability to impose limitations on the discretionary authority of the Adviser. Fund investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in an investment pool.

ITEM 17 – VOTING CLIENT SECURITIES

Pegasus Tech Ventures, Inc. has authority to vote Client securities, however, due to the nature of the Clients investment strategy, the Adviser generally does not participate in proxy votes.

In the event the Adviser does participate in voting Client securities, the Adviser will vote proxies or solicitations in the best interests of the Clients

Fund investors do not have the ability to direct proxy or solicitation votes.

ITEM 18 – FINANCIAL INFORMATION

There exists no financial condition that is reasonably likely to impair Pegasus Tech Ventures, Inc.’s ability to meet its contractual commitments to the Clients.