

## Part 2A of Form ADV: Firm Brochure

### **Plus Capital Management, L.L.C.**

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This brochure provides information about the qualifications and business practices of Plus Capital Management, L.L.C. and its affiliates (“**Plus Capital**”, “**we**” or “**us**”). If you have any questions about the contents of this brochure, please contact us at (310) 577-6700 or [IR@pluscapital.com](mailto:IR@pluscapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Plus Capital Management, L.L.C. is a registered investment adviser.

Registration with the SEC or any state securities authority does not imply a certain level of skill or training. Additional information about Plus Capital is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm’s CRD number is 167459.

**Item 2: Material Changes**

There have been no material changes since our initial Brochure filing in May 2023 other than to update the Firm's private, pooled investment vehicles and Regulatory Assets Under Management in Item 4.

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#### Item 4: Advisory Business

Plus Capital Management, L.L.C. (together with its affiliates, “**Plus Capital**” or “**the firm**”) is a Delaware limited liability company founded in February 2013. Plus Capital provides investment management and advisory services to privately offered partnerships, limited liability ~~companies~~ and certain qualifying individuals. PLUS Collective Access Fund, L.P. (“**PCAF I**”) and PLUS Collective Access Fund II, L.P. (“**PCAF II**”) are private investment funds that primarily make consumer and enterprise-focused venture capital investments.

PCAF I and PCAF II are structured to invest in verticals that best leverage the experience of the Plus Capital team and the social capital of the firm’s celebrity partners. Primarily, PCAF I and PCAF II invest in consumer product, consumer technology and enterprise technology companies across five primary investment themes: health & wellness, conscious consumer, sustainability, future of education, and future of work.

In addition to PCAF I, PCAF II and one additional legacy fund, Plus Capital has formed ten (10) additional special purpose vehicles (each an “**SPV**” and, together with PCAF I and PCAF II, each a “**Fund**” and collectively the “**Funds**”) to take advantage of outsized allocations or deals not suitable for PCAF I and/or PCAF II. Plus Capital intends to continue offering similar opportunities, should they be available.

As of December 31, 2023, Plus Capital had \$194,642,141 in regulatory assets under management on a discretionary basis; as of this date, Plus Capital did not manage assets on a non-discretionary basis. Plus Capital also provides investment advice to certain qualifying individuals on a non-discretionary basis.

Plus Capital Management, L.L.C. is wholly owned by Plus Ventures, LLC, whose controlling member is Adam Lilling. Plus Capital manages each Fund within the guidelines and restrictions set forth in the Funds’ offering documents (e.g., the operating agreement, additional information package and/or signature package, as applicable) (collectively, the “**Offering Documents**”) and within applicable regulatory guidelines or limitations. Investment advice is provided directly to the Funds, and it is not tailored for the individual needs of each Fund’s underlying investors.

#### Item 5: Fees and Compensation

Plus Capital Management, L.L.C. serves as the investment manager of each Fund. As compensation for its advisory services, Plus Capital may receive from each Fund a management fee based on assets under management and a performance-based carried interest (referred to herein as “**carried interest**”). The management fees, depending on the Fund, range from 0.0% to 2.5% per annum. Management fees are calculated and accrued either quarterly or upon the closing date of the Fund as set forth in the applicable Offering Documents. Management fees are based on the value of each limited partner’s or non-managing member’s, as applicable, capital commitment, in each case as set forth in such Fund’s Offering Documents. If a Fund is managed by Plus Capital for less than a full fiscal quarter, a *pro rata* portion of the management fee will be paid out of any capital contributions made to the Fund based on the actual number of days remaining in such partial fiscal quarter. Plus Capital has the right to waive or reduce our management fee with respect to any investor in our Funds.

The General Partner (as defined below) of each Fund shall be paid carried interest equal to 0% to 20%, as set forth in the applicable Offering Documents, of the net profits. Carried interest for a Fund may be subject to a preferred return for limited partners on realized investments and net investment income distributions as set forth in each Fund’s Offering Documents. These carried interests are allocated to the capital account of each partner during such fiscal year and will be reallocated to the capital account of the Fund’s General Partner. Each General Partner has the right, in its sole discretion, to periodically waive or reduce the carried interest for certain limited partners without exercising the right for other limited partners. Please refer to each Fund’s Offering Documents for additional detail regarding management fees and carried interest.

Except as otherwise set forth in the Fund's Offering Documents, each Fund will pay all fees and expenses incurred by or on behalf of such Fund in connection with the offering of interests and the organization of the Fund and the General Partner, including, without limitation, legal, accounting, tax, marketing and other organizational and offering expenses ("**Organizational Expenses**") incurred in connection with establishing such Fund or offering its interests to prospective investors. A Fund's management fee liability will be reduced by certain fee income and other income received by Plus Capital or its affiliates, as set forth in the applicable Offering Documents.

Any expenses common to one Fund and any other Fund or Funds generally will be borne by such entities in accordance with Plus Capital's Expense Allocation Policy or otherwise in an equitable manner as reasonably determined by Plus Capital. Although Plus Capital will attempt to allocate such expenses on a basis that it considers equitable, it may not be possible to precisely determine what portion of such shared expenses are attributable to each Fund and there can be no assurance that such expenses will in all cases be allocated proportionately. Accordingly, some portion of services paid for by a Fund may be used in some portion for the benefit of other Funds.

To the extent that assets are invested in a Fund that invests in another Fund managed by Plus Capital, these assets generally will not be included in a limited partner's capital account or committed capital, as applicable, for purposes of calculating or charging the management fee in such other Fund.

As compensation for its non-discretionary advisory services to certain qualifying individual clients, Plus Capital may be entitled to a percentage of net profits distributed to such clients derived from investments on which Plus Capital has advised.

#### **Item 6: Performance-Based Fees and Side-By-Side Management**

As discussed in Item 5, Plus Capital and/or its affiliates are entitled to receive performance-based compensation (e.g., carried interest) from its clients. For each client subject to performance-based compensation, Plus Capital and/or its affiliate's right to the performance compensation may create an incentive for Plus Capital and/or its affiliates to make or recommend investments that are riskier, more speculative or more highly levered than would be the case in the absence of performance-based compensation. It may also create an incentive for Plus Capital and/or its affiliates to engage in or recommend riskier, more speculative or more highly levered investments to the clients with higher performance allocations or fees.

#### **Item 7: Types of Clients**

Plus Capital's Funds are typically organized as either Delaware limited partnerships or Delaware limited liability companies. A Fund may invest in multiple portfolio investments or may be formed for the sole purpose of investing in a single portfolio company through a special purpose vehicle. The Offering Documents of an SPV may range in detail such as denoting the actual investment name, or a detailed description of the investment and any relevant disclosures. Investment in any Fund is designed only for sophisticated persons who are accredited and/or qualified investors (as required by applicable law), and those who are able to bear the total loss of their capital contribution to the Fund.

A Fund's limited partners or non-managing members, as applicable, include, but are not limited to, individuals, trusts, family offices, fund of funds, investment advisers, charitable organizations and business entities. In order to be eligible to invest in our Funds, an investor must be an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933 and/or a "qualified client" within the meaning of the Advisers Act (as required by applicable law). Each investor in Plus Capital's Funds is required to represent that their investment in such Fund is being acquired for their own account, for investment, and not for resale or distribution. Investments in Plus Capital's Funds are suitable only for sophisticated investors for whom an

investment in our Fund does not constitute a complete investment program and who fully understand, are willing to assume, and who have the financial resources necessary to withstand the risks involved in our Funds' specialized investment program and to bear the potential loss of their entire investment in those investments. The minimum initial capital commitment in Plus Capital's Funds ranges from \$25,000 to \$1,000,000, though individual commitments of lesser amounts may be accepted at the discretion of the applicable General Partner.

Plus Capital also provides non-discretionary investment advice to individual celebrity clients on venture capital-type investments and equity-based partnerships. Such clients must be "**accredited investors**" within the meaning of Regulation D under the Securities Act of 1933 and/or "qualified clients" within the meaning of the Advisers Act (as required by applicable law).

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

This section is intended to explain the essential elements of strategies employed by Plus Capital and the potential for material risks involved with investing in such strategies. Plus Capital employs fundamental industry analysis, quantitative modeling, valuation work including forecast estimates and fundamental business and industry risk analysis in making investment decisions and/or recommendations.

The Funds strive to generate outsized risk-adjusted returns by extending equity financing to innovative high growth businesses. PCAF I and PCAF II primarily invest in growth stage consumer product, consumer technology and enterprise technology companies across five investment themes: health & wellness, conscious consumer, sustainability, future of education and future of work. PCAF I and PCAF II typically target revenue-generating companies that have achieved some level of product-market fit and are ready to scale. The firm's SPVs are structured to take advantage of outsized allocations or investment opportunities that are not suitable for PCAF I and/or PCAF II. Plus Capital may also structure investment and/or bespoke equity-based partnership opportunities for its individual celebrity clients to help drive performance across the Funds' portfolio companies.

Investing in any Fund is speculative and involves a significant degree of risk, including the risk of total loss of capital. The investment strategies employed by Plus Capital are not intended as a complete investment program.

An investment in a Fund and the corresponding Fund's investment strategy involves significant risks, including those associated with investments in the Fund's targeted industry and market. An investor could lose all or a substantial amount of his or her investment in the Fund. The Fund's performance may be volatile and is suitable only for persons who can afford material fluctuations in the value of their capital. The Fund has limited liquidity and is only suitable for persons who have determined a limited need for liquidity, and who meet the suitability standards set forth in each Fund's Offering Documents. There is no assurance that any Fund will be successful or that its investment objectives will be achieved. No secondary market for the interests is expected to develop for any portfolio company in a Fund, and there are severe restrictions on an investor's ability to withdraw and transfer interests.

The following is a summary of certain risks involved with Plus Capital's investment strategy. **More detailed descriptions of the Funds' investment strategies, methods of analysis and risks are included in each Fund's Offering Documents. There can be no assurance that the investment objectives of any Fund will be achieved and a total loss of investment is possible. When considering an investment carefully read the Fund's Offering Documents and obtain your own advice from legal, accounting, tax and other advisors in connection with an investment in a Fund before making an investment decision.**

Risks associated with the markets and companies in which Plus Capital invests include, but are not limited to:

## **General Risks**

***Reliance on Plus Capital.*** Each Fund's limited partners will not have a right or power to participate in the management of the Fund. Accordingly, no investor should purchase any interest in a Fund unless it is willing to entrust all aspects of management of the Fund to Plus Capital. Plus Capital will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Fund (subject to the restrictions set forth in the applicable Offering Documents). The success of the Fund will depend on the ability of Plus Capital to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments. In addition, the limited partners will not receive detailed financial information issued by portfolio companies in which the Fund invests, which may be available to the Fund.

***Competition for investments.*** The Funds will compete with other entities for the acquisition of investments. Such competition may come from groups such as institutional investors, investment managers, industrial groups, operating companies and merchant banks that have greater resources than the Funds and are owned by large and well-capitalized investors. There may be intense competition for investments of the type in which the Funds intend to invest, and such competition may result in less favorable investment terms than would otherwise be the case. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. It is possible that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in competitive bidding situations, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. Participation in competitive bidding situations will also increase the pressure on the Funds with respect to pricing of a transaction. Moreover, the Funds may incur bid, due diligence or other costs on investments which may not be successful. As a result, the Funds may not recover all of its costs, which would adversely affect returns. The Funds may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. There can, therefore, be no assurance that investments of the Funds will meet all the investment objectives of the Fund, or that the Fund will be able to invest all of its available capital.

***Unspecified investments.*** The capital commitments received from the limited partners may be going into a blind pool, as specified in the Fund's Offering Documents. Plus Capital may not have identified the particular investments that the Fund will definitively make. Accordingly, an investor in the Fund must be required to rely upon the ability of Plus Capital to identify suitable investments consistent with the Fund's investment objectives and policies. An investor may not have the opportunity to individually evaluate the relevant economic, financial and other information that will be utilized by Plus Capital in its selection of investments or otherwise approve of such investments.

***Issuer and non-issuer Transactions.*** The Funds may acquire their investments through both issuer and non-issuer transactions. In the case of a non-issuer transaction, a Fund would purchase securities from existing shareholders (either directly or by means of a secondary market). In many cases, the price that a Fund must pay to acquire securities in a non-issuer transaction may exceed the price that the Fund would have paid if it were able to have acquired such securities directly from the issuer. Furthermore, in the event of a non-issuer transaction, there is no guarantee that the Fund will accede to the same rights (e.g., information rights, voting rights, rights of first refusal, etc.) as the selling shareholder.

***Past performance may not be indicative of future results.*** Past investment performance by prior associated funds and/or investment professionals affiliated with Plus Capital provide no assurance of future results. In addition, if for any reason any investment professional should cease to be involved in a Fund, the performance of the Fund may be harmed.

***Forward-looking statements.*** Statements contained in this brochure and in other communications that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of Plus Capital.

Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Moreover, certain information contained in this brochure or other communications provided by Plus Capital may constitute “forward looking” statements, which often can be identified by the use of forward-looking terminology such as “may,” “will,” “seek,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” “target,” “plan” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of the Funds may differ materially from those reflected or contemplated in such forward-looking statements.

***No assurance of investment return.*** Plus Capital’s task of identifying opportunities in private operating companies, managing such investments and realizing a significant return for investors is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize such investments successfully. There is no assurance that a Fund will be able to invest its capital on attractive terms or generate returns for its investors. There is no assurance that any Fund’s investments will be profitable and there is a risk that each Fund’s losses and expenses will exceed its income and gains. Each Fund’s investment program should be evaluated on the basis that there can be no assurance that Plus Capital’s assessment of the prospects of investments will prove accurate or that the Fund will achieve its investment objectives. As such, there is no assurance of any distribution to the limited partners prior to, or upon, liquidation of any Fund.

***Valuation of securities.*** The fair market value of a Fund’s portfolio investments or of property received in exchange for any portfolio investments will be determined by Plus Capital in accordance with the applicable Offering Documents. Accordingly, the fair market value of a Fund’s portfolio investment may not reflect the price at which the investment could be sold in the market, and the difference between fair market value and the ultimate sales price could be material. The valuation of such investments will be determined by Plus Capital in accordance with procedures set forth in the applicable Offering Documents. Different methods of valuing securities may provide materially different results. Actual realized returns on all unrealized investments will depend among other things on the value of the securities at the time of disposition, any related transaction costs and the manner of sale. Accordingly, the actual realized return on all unrealized investments may differ materially from the values presented to the limited partners.

***Long-term & illiquid investment within the Funds.*** An investment in any of the Funds is a long-term commitment. Interests in the Funds are highly illiquid and have no public market value. No secondary market for the interests exists, and no such market will be established or supported by Plus Capital. Furthermore, the sale or transfer of interests in any Fund is subject to approval of Plus Capital and other restrictions contained in the applicable Offering Documents. Consequently, limited partners may not be able to liquidate an investment in the event of an emergency or for any other reason. An investment in any Fund is suitable only for persons and entities which have no need for liquidity with respect to their investment. The interests in the Funds have not been registered under the Securities Act of 1933, as amended, nor under applicable securities laws of any state or non-U.S. jurisdiction and no such registration contemplated.

***Capital calls.*** Capital calls may be issued by Plus Capital from time to time at the discretion of Plus Capital in accordance with the Fund’s Offering Documents and based upon Plus Capital’s assessment of the needs and opportunities of the Fund. To satisfy such capital calls, limited partners may need to maintain a substantial portion of their commitment in assets that can be readily converted to cash. Except as may be specifically set forth in the applicable Offering Documents, each limited partner’s obligation to satisfy capital calls will be unconditional. A limited partner’s obligation to satisfy capital calls will not, in any manner, be contingent upon the performance or prospects of the Fund or upon any assessment thereof provided by Plus Capital. Notwithstanding the foregoing, Plus Capital will not be obligated to call 100% of the limited partner’s commitment during the Fund’s term.

***Distributions in kind.*** It is possible that not all portfolio investments will be realized by the end of a Fund’s term. Although Plus Capital expects that investments will be disposed of prior to dissolution, or be suitable for in-kind



distribution at dissolution, a Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In such cases, in Plus Capital's sole and absolute discretion, there may be in-kind distributions by Plus Capital to limited partners of illiquid securities or instruments, whereas during the term of the Fund, the Fund may make in-kind distributions of marketable securities. There can be no assurance that limited partners will be able to dispose of such securities or instruments or that the fair market value of such securities or instruments determined by the Fund for purposes of the determination of distributions and the calculation of Plus Capital's carried interest ultimately will be realized. In addition, if a limited partner receives distributions in kind of any portfolio investment from the Fund, it may incur additional costs and risks in connection with the disposition of such assets. Any such distribution could put downward pressure on the price of the issuer's securities.

***Economic conditions.*** Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect each Fund's investments and prospects materially and adversely. None of these conditions is within Plus Capital's control, and it may not be able to effectively anticipate these developments. These factors may affect the volatility and the liquidity of a Fund's investments. Unexpected volatility or illiquidity could impair a Fund's profitability or result in losses.

***Diverse limited partner group.*** The Limited Partners may have conflicting investment, legal, tax, business and other interests with respect to their investments in a Fund. The conflicting interests of individual limited partners may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Plus Capital, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, Plus Capital will consider the investment and tax objectives of the Fund and the limited partners as a whole, and not the investment, legal, tax, business or other objectives of any limited partner individually. Plus Capital may form parallel funds for tax or other reasons, and the investment returns of the limited partners of any such parallel funds may differ from the investment returns of the limited partners of the Fund as a result of the structure of the acquisition and disposition of portfolio investments of such parallel funds or other similar reasons.

***Carried interest and management fees.*** Plus Capital may waive all or part of the management fee otherwise attributable to any limited partner's investment in a Fund, by rebate or otherwise. Plus Capital may reduce the carried interest allocation attributable to any limited partner's interest in a Fund and may otherwise vary the terms of the carried interest allocation attributable to any limited partner's interest in a Fund by agreement with such limited partner. Additionally, the carried interest and management fees borne by investors in different entities that invest in parallel with a Fund may differ from the carried interest and management fees charged to limited partners in the Fund. In the event Plus Capital elects to waive all or part of a limited partner's management fee, or reduce the terms of the carried interest allocation attributable to any limited partner's interest in a Fund, any such waiver or reduction shall be made pursuant to objective criteria, which may be based on the size of such limited partner's capital commitment, the timing of when such limited partner was admitted to the Fund and whether such limited partner is associated with Plus Capital (e.g., a direct or indirect beneficial owner of Plus capital or any of its affiliates).

***Consequences of default.*** If a limited partner fails to pay in full any requested capital contributions to a Fund, Plus Capital may take certain actions that may result in a sale of such limited partner's interest in the Fund or a forfeiture of all or a portion of such limited partner's interest in the Fund. Additionally, Plus Capital may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by such defaulting limited partner. Plus Capital may be granted additional powers to deal with defaulting limited partners in the applicable Offering Documents of the Fund. If a limited partner fails to pay any of its capital commitment when due, and the capital contributions and unused capital commitments of non-defaulting limited

partners are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result the Fund may be subjected to significant penalties that could materially adversely affect the returns to the limited partners (including non-defaulting limited partners). In addition, the non-defaulting limited partners may be required to increase their contributions to the investment resulting in the defaulted capital contribution and in respect of subsequent Fund investments which, in turn, will reduce the degree of diversification of such limited partners' investment in the Fund and increase such limited partners' risk of loss.

**Conflicts.** Each Fund and its limited partners will be subject to certain potential or actual conflicts of interest arising out of the Fund's relationship with Plus Capital and its respective affiliates, which will provide management services to the Fund. The agreements and arrangements among the Fund, Plus Capital and their respective affiliates have been established by Plus Capital and are not the result of arm's-length negotiations. Plus Capital and its affiliated investment professionals may be subject to certain contractual, fiduciary or other obligations regarding prior Funds and/or their portfolio companies. While Plus Capital believes that it will generally be able to resolve any conflicts on an equitable basis, it is possible that such conflicts will not be resolved in favor of the Fund, even where disinterested parties are consulted to review such conflicts.

**Separate Clients.** Plus Capital and/or one or more of its affiliates may provide advisory, broker-dealer or other services to third parties who shall, directly or indirectly, have a priority right to investment opportunities that might reasonably fit within a Fund's investment purpose, and the Fund may only have a secondary right (if at all) to participate in such investment opportunities. Furthermore, Plus Capital and/or one or more of its affiliates may receive compensation from, or with respect to, such transactions with these third parties. Neither the limited partners nor the Fund will have any direct or indirect right to any such third-party compensation (to include a reduction in management fee or otherwise).

**Voluntary withdrawals.** Voluntary withdrawals of Limited Partner interests are not permitted, except in limited instances when required or when necessary to comply with the laws or regulations applicable to a Limited Partner, to the extent so provided in the Partnership Agreement. As a result, investors may not be able to liquidate their investments prior to the end of the Fund's term. A withdrawn Limited Partner may not be entitled to immediate payment for its interest in the Fund. Any withdrawal of a Limited Partner may reduce the amount of Fund capital available for investment or other activities.

**Mandatory withdrawals.** Plus Capital may, under certain circumstances, require a limited partner to withdraw from a Fund. If a limited partner is required to withdraw from a Fund and/or prevented from making any future capital contributions, the Fund may face a shortfall. If the Fund is unable to finance the shortfall from other sources, it is possible that the Fund may be required to limit the scope of its investments, or it may default on its obligations and/or its ability to continue operations may otherwise be impaired.

**Economic interest of the General Partner.** Because the percentage of profits allocated to the General Partner of a Fund will exceed the capital contribution percentage of the General Partner, and because certain net losses otherwise allocable to the General Partner will be specially allocated to all the limited partners (up to the point that the limited partners' capital account balances reach zero), Plus Capital may have an incentive to make investments that are riskier or more speculative than if the General Partner received allocations on a basis identical to that of the limited partners.

**Service providers.** The service providers or their affiliates (including any administrators, lenders, brokers, attorneys, consultants and investment banking firms) of Plus Capital or any of its affiliates may be investors in a Fund and / or sources of investment opportunities and co-investors or counterparties therein. This may influence Plus Capital in deciding whether to select such a service provider.

**Conflicting fiduciary duties to other funds.** A Fund may purchase investments in which another investment vehicle affiliated with Plus Capital already has an interest, or otherwise another such entity may purchase an investment in

a portfolio company of a Fund and may do so at different points in time. As investment advisor to both the Fund and such other affiliated entities, Plus Capital may owe a fiduciary duty to the other entities as well as to the Fund.

***Non-U.S. investments.*** A Fund may invest a portion of its aggregate capital commitments outside of the United States. Non-U.S. securities involve certain risk factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability, including the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation; (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities and (v) less developed corporate laws regarding creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors. Additionally, certain countries in which the Fund may invest have in the past, and may in the future, experience political and social instability that could adversely affect the Fund's investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector. Plus Capital generally does not intend to obtain political risk insurance for the Funds. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the return from investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on repatriation of capital, renunciation of foreign debt, political, economic or social instability or other economic or political developments could adversely affect the assets of the Funds held in a particular country.

***Liquidation.*** If a Fund should become insolvent, the limited partners may be required to return with interest any property distributed that represented a return of capital, repay any distributions wrongfully made to them and forfeit any undistributed profits.

***Investments longer than term.*** The Funds may make investments which may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although Plus Capital expects that investments will be disposed of prior to a Fund's dissolution or be suitable for in-kind distribution at dissolution and Plus Capital has a limited ability to extend the terms of the Funds, the Funds may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of a Fund the General Partner will be required to timely reduce to cash and cash equivalents such assets of the Fund as the General Partner shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the limited partners will occur.

***Dilution from subsequent closings.*** Limited partners subscribing for interests in a Fund or increasing their commitments at subsequent closings up to and including a Fund's final closing, will participate in existing investments of the Fund, diluting the interest of existing limited partners therein. Although such Limited Partners subscribing for interests or increasing commitments at subsequent closings will contribute their pro rata share of previously made Fund draws, there can be no assurance that this payment will reflect the fair market value of the Fund's existing investments at the time such additional limited partners subscribe for interests or increase their commitments.

***Side letters.*** Plus Capital may enter into side letters or similar agreements with limited partners that have the effect

of establishing rights under, or altering or supplementing the terms of the applicable Offering Documents of a Fund. Such terms and conditions may provide for capacity rights to make future investments in the Fund or other investment vehicles managed by Plus Capital or its affiliates; rights to receive notice of certain events or information not provided to other limited partners; rights to participate in co-investments; reduced management fees; reduced carried interest; rights to cancel their remaining capital commitments upon the occurrence of certain regulatory events; rights related to the Fund's advisory committee and such other rights negotiated by Plus Capital and such limited partner(s). The terms and conditions set forth in any such side letter will be agreed to solely at the discretion of Plus Capital.

***Material non-public information.*** By reason of their responsibilities in connection with their other activities, Plus Capital (or its employees) may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a portfolio investment that it otherwise might have sold.

***Advisory Committee approvals.*** The Offering Documents of the Funds contain certain protections for investors against conflicts of interest faced by Plus Capital but will not purport to address all types of conflicts that may arise. For example, certain transactions that involve conflicts of interest between a Fund and its General Partner may be submitted to the Fund's advisory committee for resolution, if applicable. However, the advisory committee may not necessarily represent the interests of all the limited partners and the members of the advisory committee may themselves be subject to various conflicts of interest (including as investors in other entities related to partners of the General Partner). In general, the limited partners will not be entitled to control the selection of members of the advisory committee of a Fund, if applicable.

***Public disclosure.*** Some of the interests in a Fund may be held by investors, such as public pension plans, public universities and listed investment vehicles, which are subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to a Fund or its portfolio companies results from interests in the Fund being held by public investors, the Fund may be adversely affected. Plus Capital may, in order to prevent any such potential disclosure, withhold information otherwise to be provided to such public investors. Conversely, potential future regulatory changes applicable to investment advisers or the accounts they advise could result in Plus Capital or the Fund becoming subject to additional disclosure requirements.

***Limited access to information.*** Limited partners' rights to information regarding a Fund will be specified, and strictly limited, in the applicable Offering Documents of the Fund. In particular, it is anticipated that Plus Capital will obtain certain types of material information from portfolio investments that will not be disclosed to limited partners because such disclosure is prohibited for contractual, legal, fiduciary or similar obligations outside of Plus Capital's control. Decisions by Plus Capital to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interests may have difficulty in determining an appropriate price for such interests. Decisions to withhold information also may make it difficult for limited partner to monitor Plus Capital and its performance. Additionally, it is expected that limited partners who designate representatives to participate on the advisory committee of a Fund may, by virtue of such participation, have more information about the Fund and portfolio investments in certain circumstances than other limited partners generally, and may be disseminated information in advance of communication to other limited partners generally.

### **Portfolio Company Risks**

***Early-stage investments.*** The Funds will invest primarily in privately held companies. These companies may not be profitable or may have limited revenues. They may require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not

be available at all, or on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Typically, although a Fund may be represented by a member of its General Partner on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Fund or its General Partner). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

***Reliance on portfolio company management team.*** Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although Plus Capital will be responsible for monitoring the performance of each investment by the Funds, and the Funds will seek to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company in accordance with a Fund's plans. The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team. Additionally, portfolio companies will need to attract, retain and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, a Fund may be adversely affected thereby. Instances of fraud and other deceptive practices committed by the management team of portfolio companies in which a Fund has an investment may undermine the General Partner's due diligence efforts with respect to such companies. If such fraud is discovered, it could adversely affect the valuation of the Fund's investments and may contribute to overall market volatility that can negatively impact the Fund's investment portfolio.

***Lack of diversification.*** The Funds may not be subject to any diversification requirements and may invest in a limited number of companies, sectors, countries or regions. To the extent a Fund concentrates its investments in a particular company, sector, country or region, its investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular company, sector, country or region. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavorable performance of one or a small number of companies, sectors, countries or regions in which the Fund has invested.

***Legal and regulatory risks in portfolio companies.*** Legal and regulatory changes could occur during the term of a Fund. The products and services of portfolio companies and some Fund assets may be subject to extensive and rigorous regulation by United States local, state and federal regulatory authorities and by foreign regulatory bodies. There can be no assurance that products and services developed by the Fund's portfolio companies will ever be approved by such governmental authorities, if such approval is required. There may be instances when the discovery of previously unknown problems with a product, service, manufacturer or facility could result in restrictions on the use or the manufacture of such product or delivery of such service, including costly recalls or even withdrawal of the product or service from the market. Such events, whether voluntarily or mandated by a regulatory authority, typically result in an immediate reduction or discontinuation of revenues from the product or service worldwide. If such an event were to occur, it would likely have a significant and adverse effect on the performance of a particular portfolio company and could have a material adverse effect on the aggregate performance of the Fund.

***Availability of investment capital.*** A privately held investment often requires several rounds of capital infusions before the portfolio company reaches maturity. If an investor does not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the portfolio company and the face value of the investor's original investment. Even if a Fund reserves sufficient liquidity to allow it to participate in follow-on rounds of financings, the Fund may not provide all necessary follow-on capital required by a portfolio company. Accordingly, third-party sources of financing likely will be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to the Fund.

Furthermore, the Fund's capital is limited and may not be adequate to protect the Fund from dilution in multiple rounds of portfolio company financing.

**Reserves.** As is customary in the industry, the General Partner of a Fund may elect to establish reasonable reserves for follow-on investments by the Fund in portfolio companies, operating expenses, Fund liabilities and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which directly tie to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the limited partners of such Fund. If reserves are inadequate, the Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or similar terms. If reserves are excessive, the Fund may decline attractive investment opportunities.

**Co-investment opportunities.** Plus Capital may, but is not required to, provide co-investment opportunities to third parties, including select limited partners, strategic investors or other third parties. Co-investment opportunities are determined in the sole discretion of Plus Capital, and accordingly a limited partner may not be offered any particular co-investment opportunity, and if offered such opportunity, may not receive the full amount, or any amount, of its desired co-investment. When offering co-investment opportunities to a particular person, Plus Capital may consider a variety of factors, including whether the co-investor would provide strategic value to Plus Capital, its separate clients, Plus Capital's prior experience with the co-investor (if any), legal, tax and regulatory matters and whether such person has previously expressed an interest in participating in co-investment opportunities. Plus Capital (or members, principals, affiliates and employees of Plus Capital) may also participate, directly or indirectly, in co-investments and accordingly, this may reduce the availability of co-investment opportunities for other persons. The terms applicable to any co-investment opportunity will be established in the sole discretion of Plus Capital, and co-investors may not necessarily be subject to any fee or carried interest in relation to the co-investment opportunity.

**Lack of liquidity within investment portfolio.** Each Fund's investment portfolio will consist, to a significant extent, of investments in privately held companies. The marketability and value of each such investment will depend upon many factors beyond Plus Capital's control. Generally, the investments made by the Funds will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. Furthermore, to the extent the Funds holds marketable securities, Plus Capital will determine the appropriate time to sell or distribute such securities. At the time of a Fund's investment, a portfolio company may lack one or more key attributes (*e.g.*, proven technology, marketable product, complete management team, or strategic alliances) necessary for success. There may be no readily available market for a Fund's investments, many of which will be difficult to value, and the disposal of a portfolio investment by the Fund may be prohibited or delayed many years from the date of initial investment for legal and/or regulatory reasons. The public market for technology and other emerging growth companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of a Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by the Fund.

**Bridge financings.** From time to time, a Fund may enter into bridge financings with portfolio companies, which will generally be structured on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge financings would typically be convertible into a more permanent, long-term security. However, for reasons not always in the Fund's control, such long-term securities may not be issued and such bridge financings may remain outstanding. In such event, the interest rate on such instruments may not adequately reflect the risk associated with the unsecured position taken by the Fund.

**Risks of certain dispositions.** In connection with the disposition of an investment in a portfolio company or otherwise, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. It may also 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 or escrow

accounts. In that regard, under certain circumstances described in the applicable Offering Documents of the Fund, the General Partner may make distributions of cash or securities to the limited partners that remain subject to recall from the limited partners for the payment (in whole or in part) of such contingent liabilities. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Fund.

***Non-controlling investments.*** A Fund may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies. However, as a condition to an investment in a portfolio company, it is expected that appropriate rights generally will be sought to protect the Fund's interests to the extent possible. There can be no assurance that such minority shareholder rights will be available. Furthermore, the Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund.

***Due diligence risks.*** Before causing a Fund to make an investment, Plus Capital intends to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to such investment. When conducting due diligence and making an assessment regarding an investment, Plus Capital will rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisers or consultants may present a number of risks primarily relating to Plus Capital's reduced control of the functions that are outsourced. In addition, if Plus Capital is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. Furthermore, the due diligence process may at times be subjective, particularly with respect to newly organized companies for which only limited information is available. Accordingly, there can be no assurance that the due diligence investigation that Plus Capital will carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Furthermore, there can be no assurance that such an investigation will result in an investment being successful.

***Expedited transactions.*** Investment analyses and decisions by Plus Capital may be undertaken on an expedited basis in order for a Fund to take advantage of available investment opportunities. In such cases, the information available to Plus Capital at the time of an investment decision may be limited, and Plus Capital may not have access to the detailed information necessary for a full evaluation of the investment opportunity. A Fund may conduct its due diligence activities over a very brief period of time and may assume the risks of obtaining certain consents or waivers under contractual obligations. In addition, Plus Capital may rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments.

***Securities laws restrictions on trading.*** A member, officer, employee or other representative of Plus Capital may serve as a director of a portfolio company a Fund. As a result, the Fund (through its representatives or otherwise) may receive or be deemed to receive information that would restrict its ability to cause the Fund to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect the Fund's ability to buy, sell, distribute or otherwise dispose of securities. In addition, the ability of the Fund to execute trades in securities of these companies may also be restricted by securities laws, including but not limited to Section 16 of the Securities Exchange Act of 1934, as amended, and Rule 144 promulgated under the Securities Act of 1933, as a result of the board participation or extent of ownership of the Fund and affiliated persons.

## **Digital Assets**

***Digital asset investments.*** A Fund may invest in cryptocurrencies, decentralized application tokens, protocol tokens and other cryptofinance coins, tokens and digital assets and instruments that are based on blockchain, distributed

ledger or similar technologies (collectively, “**Digital Assets**”), in each case as permitted by the Fund’s Offering Documents. Digital Assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code or other action, not by a central actor, and prices have been extremely volatile.

**Emerging technology and malicious actors.** The ownership or transmission of Digital Assets is recorded or verified by a distributed ledger or other similar technology. The marketplace for such Digital Assets is still in its early stages of development, which may increase the risk of loss with respect to investments in Digital Assets in a number of ways. Digital Assets and their functions are generally governed by software run on a network of computers associated with such Digital Assets. Various issues related to such software and such computer networks could result in the diminution in value of Digital Assets, including, without limitation, undiscovered flaws in software, advancement in computing technology and third party attacks on computer networks.

**Digital asset exchanges.** Digital Asset exchanges and other service providers to the Digital Assets sector are not well developed. Multiple Digital Asset exchanges and parties providing storage solutions for Digital Assets have ceased operation due to fraud, security breaches and governmental decree. A Fund’s investments in Digital Assets may be held by such an exchange or other third party and could be subject to loss if such exchange or other third party were to shut down or suffer a security breach or other negative event.

**Custody of the Fund’s Digital Assets.** Plus Capital will be responsible for arranging custody of a Fund’s Digital Assets, including by storage in one or more “cold wallets” and/or on various Digital Asset exchanges. Digital Asset exchanges may require Plus Capital to provide control of applicable private keys when such exchanges are utilized by the Fund. Plus Capital will take such reasonable steps as it determines are necessary to maintain access to these keys and to prevent their exposure to hacking, malware and general security threats, but there can be no assurance that such steps will be adequate to protect such keys or a Fund’s Digital Assets from such threats or that there will be no failure or penetration of the applicable security systems. There also can be no assurance that, to the extent a Funds utilize third-party custodial services, such third parties maintain required certifications with the SEC or other regulatory agencies, the loss of which could cause such custodians to not be deemed qualified custodians by various regulatory agencies. Additionally, as this is an evolving space, it will be difficult to judge best practice among such custodians and there can be no guarantees.

**Risk of loss of private keys.** Various Digital Assets are controllable only by the possessor of unique private keys relating to the addresses in which the Digital Assets are held. The theft, loss or destruction of a private key required to access a Digital Asset is irreversible, and any such private key would not be capable of being restored by a Fund. Any loss of private keys relating to digital wallets used to store a Fund’s Digital Assets could result in the loss of such Digital Assets, and a limited partner could incur substantial, or even total, loss of capital invested in Digital Assets.

**Uncertain regulatory environment for Digital Assets.** Digital Assets currently face an uncertain regulatory landscape in the United States and in other jurisdictions. Various jurisdictions may, in the near future, adopt laws, regulations or directives that affect Digital Assets and parties that come into contact with Digital Assets. Such laws, regulations or directives may negatively impact a Fund in a variety of ways, including increasing the compliance burden of a Fund and its related parties or diminishing the value of a Fund’s investments in Digital Assets.

**Lack of management rights in Digital Asset investments.** In many cases, the General Partner of a Fund may be investing directly in a Digital Asset that lacks the governance aspects that generally pertain to equity securities. For example, a holder of a Digital Asset does not have the right to appoint board members or otherwise vote on corporate actions of the entity that has issued the Digital Asset. As a result, the General Partner will have limited, if any, ability to influence the actions of the issuer of the Digital Asset and such lack of influence may negatively impact the value of any particular investment.

**Tax risk of Digital Asset investments.** There is substantial uncertainty regarding the tax treatment of Digital Assets.



As such, Plus Capital may take certain tax positions that may ultimately be treated differently in the course of an audit by the Internal Revenue Service (“IRS”), or the regulations promulgated by the IRS may change over time. As a result, limited partners may be subject to adverse tax consequences associated with their investment in a Fund.

### **Management Risks**

***Dependence on the management team.*** The Funds will be particularly dependent upon the managing member(s) of the General Partners. The General Partners may have sole discretion over the investment of the capital committed to a Fund, as well as the ultimate realization of any profits, as set forth in the Fund’s Offering Documents. As such, the pool of funds in a Fund may represent a blind pool of funds. In such a case, the Fund and the limited partners will be relying on the management expertise of the managing member(s) of the General Partner in identifying, acquiring, administering and disposing of the Fund’s investments. Past investment performance by the prior funds and the managing member(s) of the Fund’s General Partner provides no assurance of future results, and there can be no assurances that the Fund will be able to duplicate prior levels of success of the managing member(s) of the Fund’s General Partner or such prior investment vehicles. The loss of any individual investment professional could have a material, adverse effect on a Fund. Additional members may be admitted to a Fund’s General Partner following the Fund’s initial closing, and the limited partners will have no power to prevent any specific person from being admitted to the General Partner as a member thereof. If for any reason a General Partner’s managing member(s) or any other investment professional should cease to be involved in the investment management of a Fund, a suitable replacement may be difficult to obtain, with the result that the performance of the Fund may be adversely affected.

***Other activities.*** The managing member(s) of the General Partner of a Fund will be required to devote only such portion of his or her time to the affairs of the Fund as he considers appropriate in their respective judgment to manage effectively the affairs of the Fund. Other activities of affiliates of the managing member(s) may require him or her to devote substantial amounts of his or her time to matters unrelated to the business of the Fund. For the avoidance of doubt, such other activities will include participation in transactions to benefit separate clients of Plus Capital (e.g., developing and cultivating relationships with well-known personalities and assisting with their separate projects), which may directly or indirectly benefit or conflict with the activities of the Fund.

***Indemnification.*** A Fund may be required to indemnify its General Partner, the partners, members, employees, agents, affiliates of the foregoing and the members of the Fund’s advisory committee for liabilities incurred in connection with the affairs of the Fund. Such liabilities may be material and have an adverse effect on the returns to the limited partners. For example, in the capacity as a director of one or more portfolio companies of a Fund, a person may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Fund would be payable from the assets of the Fund, including the unpaid capital commitments of the limited partners. If the assets of the Fund are insufficient, the General Partner may recall distributions made to the limited partners. Furthermore, the Offering Documents of the Fund may limit the circumstances under which the General Partner may be held liable to the Fund or the limited partners. As a result the limited partners may have a more limited right of action in certain cases than they would in the absence of such a limitation.

### **Legal, Tax and Regulatory Risks**

***Legal, tax & regulatory risks.*** Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect the Fund, its portfolio companies or the investors. For example, changes in laws and regulations applicable to taxation of carried interest may result in certain types of investments and/or investment returns being treated differently and accordingly may influence the General Partner’s decisions as to how to best structure the investment profiles of the Fund. The Fund may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of a variety of countries. There can be no assurance that regulations promulgated in countries where a Fund invests will not adversely affect the Fund or its portfolio investments.

***Taxes in other jurisdictions.*** Prospective limited partners should also consider the potential state and local tax consequences of an investment in a Fund. In addition to being taxed in its own state or locality of residence, a limited partner may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which the Fund operates. Potential limited partners should consult their own tax advisors regarding the tax consequences of an investment in a Fund. Income or gains from investments held by the Fund may be subject to withholding taxes or other taxes in jurisdictions, subject to the possibility of reduction under applicable tax treaties.

***Risks arising from provision of managerial assistance.*** Plus Capital may elect to structure a Fund's investments so that the Fund will be a "venture capital operating company" within the meaning of regulations promulgated under ERISA, although there is no guarantee the Fund will be able to do so or maintain such status. This requires that the Fund obtain rights to participate substantially in and to influence the conduct of the management of a majority of the Fund's portfolio companies. Plus Capital may elect to seek the right to designate directors to serve on the boards of directors of a Fund's portfolio companies. Any such designation of directors and other measures contemplated could expose the assets of the Fund to claims by a portfolio company, its security-holders, and its creditors. While Plus Capital intends to manage its Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

***Absence of recourse.*** The governing documents of a Fund may limit the circumstances under which the General Partner, the managing member(s) of the Fund's General Partner, and any of their respective affiliates, including their officers, directors, partners, employees, shareholders, members, and other agents, can be held liable to the Fund. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such limitations.

***Audit risks.*** It is possible that an audit of a Fund's tax return by the IRS, if conducted, may result in an audit of a limited partner's U.S. tax return, if any. A limited partner that files a U.S. tax return must report each Fund item for U.S. federal income tax purposes consistent with its treatments on the Fund's return, unless such limited partner files a statement with his return that identifies the inconsistency. In the event of an audit, the tax treatment of all Fund items may be determined at the Fund level in a single proceeding rather than in separate proceedings with each limited partner. The General Partner of the Fund may take primary responsibility for contesting federal income tax adjustments proposed by the IRS, to extend the statute of limitations as to all limited partners and, in certain circumstances, the General Partner may be able to bind the limited partners to a settlement with the IRS. The General Partner of a Fund will inform each limited partner of a commencement and disposition of any such administrative proceeding. Nevertheless, a limited partner's participation in administrative or judicial proceedings relating to Fund items would be restricted.

***Compliance with anti-money laundering requirements.*** In response to increased regulatory concerns with respect to the sources of funds used in investment and other activities, Plus Capital may request that a limited partner provide additional documentation verifying such limited partner's identity, tax risk profile and source of funds used to purchase its interests in a Fund. Plus Capital may decline to accept a subscription on the basis of information provided or if such information is not provided. In addition, Plus Capital may be required to provide such information to appropriate governmental, regulatory or taxation authorities under any applicable laws or jurisdictions without notifying the limited partners that such information has been so provided. Plus Capital will take such steps as they determine are necessary to comply with applicable law, regulations, orders, directives, ordinances or special measures.

***Foreign Account Tax Compliant Act ("FATCA")*** Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended, impose withholding taxes on certain types of payments made to "**foreign financial institutions**" and certain other non-U.S. entities. FATCA imposes a 30% withholding tax on "withholdable payments" paid to a foreign financial institution ("**FFI**") unless the FFI either: (A) enters into an agreement with the United States Treasury requiring, among other things, that it undertake to (i) identify accounts held by certain U.S. persons or foreign entities owned by U.S. persons ("**U.S. Investors**"), (ii) annually report certain information about such

accounts, and (iii) withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements; or (B) complies with requirements under an Intergovernmental Agreement (“**IGA**”) that the country in which it is domiciled has signed with the United States (and registered its status as such with the IRS). The term “**withholdable payments**” includes, but is not limited to, U.S. source dividends, interest and gross proceeds from the sale of any property of a type that can produce U.S. source interest and dividends (generally equity or debt instruments of U.S. issuers). A Fund may be required to deduct and withhold from amounts allocable to a non-U.S. Investor who invests in the Fund if that investor fails to comply with the reporting requirements imposed by the IRS in respect of its direct and indirect U.S. Investors. Each investor in a Fund will be required to provide the General Partner with information such that the Fund can comply with the reporting requirements under FATCA.

### ***Foreign Investment Review***

Pursuant to the Defense Production Act of 1950, as amended (the “**DPA**”), the U.S. Government has the authority to restrict and prevent foreign acquisitions of, and investments in, U.S. companies (collectively, “**Foreign Investments**”) on national security grounds, actions that could adversely affect a Fund’s investments. The Committee on Foreign Investment in the United States (“**CFIUS**”), a U.S. Government interagency committee, conducts national security reviews of Foreign Investments and, in the interest of national security, may impose mitigation (i.e., restrictions) on such investments. CFIUS-imposed mitigation can take a variety of forms, including (i) restrictions on the foreign investor’s access to the U.S. company’s technology or facilities, (ii) restrictions on the foreign investor’s role in the governance or decision making of the U.S. company, (iii) mandatory divestiture of a foreign limited partner’s capital contribution and termination of its participation in the Fund, (iv) mandatory U.S. Government approvals of changes to the U.S. company’s suppliers or the locations of its source code repositories, and (v) the appointment of a U.S. Government-approved monitor to verify the transaction parties’ compliance with the mitigation. The President of the United States (the “**President**”) may block a Foreign Investment that threatens to impair U.S. national security or order a foreign investor to divest of its Foreign Investment.

If a Fund is controlled by foreign persons or has foreign limited partners, its investments are potentially subject to CFIUS review. Foreign limited partners’ indirect investments in U.S. companies through a Fund also could be subject to CFIUS review. Finally, subsequent proposed investments, acquisitions, or mergers or other transactions related to Fund portfolio companies involving foreign persons also could be subject to CFIUS review.

Parties to transactions within CFIUS’s jurisdiction, potentially including a Fund, may choose to submit a joint voluntary notice to CFIUS for its review. In addition, CFIUS may unilaterally initiate a review of a transaction or may request that the parties file a notice. In 2018, the Foreign Investment Risk Review Modernization Act (“**FIRRMA**”) revised the CFIUS process to (i) expand CFIUS’s jurisdiction—notably to certain non-controlling investments in U.S. companies that are involved in critical technologies or critical infrastructure or that hold sensitive personal data of U.S. citizens—and (ii) mandate filings in certain instances. Effective November 10, 2018, a CFIUS “pilot program” has implemented select provisions of FIRRMA and mandated filings for certain Foreign Investments in U.S. critical technology companies. Some of a Fund’s investments could fall within this expanded jurisdiction.

Due to these CFIUS considerations, a Fund could incur increased costs, including legal fees, related to (i) evaluating whether a particular portfolio investment or other transaction related to a Fund portfolio company requires the submission of a filing to CFIUS, (ii) evaluating whether the submission of a joint voluntary notice to CFIUS is warranted, (iii) drafting a filing and submitting it to CFIUS, (iv) undergoing a CFIUS review or investigation, (v) negotiating and implementing CFIUS-imposed mitigation, and (vi) complying with any Presidential order. Submission of a filing to CFIUS in connection with an investment or other transaction related to a Fund portfolio company also could result in significant delays, as the CFIUS review and investigation process can last months (with the possibility of a shorter timeframe for mandatory filings under the CFIUS pilot program). CFIUS could condition its clearance of a Foreign Investment on adjustments to the terms of such Foreign Investment or other

mitigation (including, if applicable, exclusion of a foreign limited partner of the Fund from a Foreign Investment), and these conditions could adversely affect one or more of the Fund's portfolio companies and decrease the Fund's return on its investment in any such portfolio company. In rare cases, the President could block a Foreign Investment or order a Fund to divest of a Foreign Investment. Finally, a Fund may choose not to make certain investments, or a portfolio company may choose not to solicit or pursue certain subsequent investments or other transactions, that are otherwise attractive based on an evaluation of the associated CFIUS risks.

### **Special Risks**

***European Union Directive on Alternative Investment Fund Managers (AIFMD).*** On July 21, 2011, the European Union (EU) Directive on Alternative Investment Fund Managers (the "***Directive***") came into force. Among other things, the Directive regulates the marketing in the EU by a manager of an alternative investment fund (the "***AIF***"), regardless of whether the manager or the AIF is established in the EU or elsewhere. Furthermore, the Directive imposes new regulatory obligations on certain managers in respect of their activities and the AIFs that they manage.

The implementation of the Directive may have an adverse effect on the marketing and continued operation of a Fund in the event that the Fund's General Partner markets the Fund in jurisdictions subject to the Directive. Certain aspects of the Directive will be phased in over a number of years, and during this period each member of the EU may revise its private placement laws. The detailed impact of the Directive on the marketing and operation of a Fund will not be known until the specific EU jurisdictions in which the General Partner of the Fund markets the Fund (if any) have been definitively identified.

### **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to Plus Capital's business or the integrity of our management.

### **Item 10: Other Financial Industry Activities and Affiliations**

Plus Capital's Funds are formed as either Delaware limited partnerships or limited liability companies which require a general partner and managing member, respectively (in each case, a "**General Partner**", and collectively, the "**General Partners**"). Each of the General Partners to the Funds managed by Plus Capital is an affiliated entity of Plus Capital.

Plus Capital's principals, employees and advisors may devote portions of their time to Plus Capital's and the Funds' existing portfolio companies, Plus Capital's separate clients, and other related investment activities.

Plus Capital and its affiliates may acquire or possess an interest in a portfolio company outside of a Fund. See Item 11 for more information.

Our affiliate, Plus Venture Partners, LLC, is a broker-dealer registered with the SEC and a member of FINRA. Certain employees of Plus Capital may spend a portion of their business time and attention other than on behalf of the Funds, including in connection with the broker-dealer.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Plus Capital has a code of ethics (the "**Code of Ethics**") that is available upon request. The Code of Ethics sets forth guidance for Plus Capital's employees as each must conduct such activity in accordance with the following general principles:

- conduct themselves with integrity and dignity and act in an ethical manner in their dealings with clients,

- professional associates, and the public;
- acknowledge that there is an element of professional ethical conduct required that exceeds ethical standards in daily life; and
- place the interests of the Funds first, and not take inappropriate advantage of their positions with Plus Capital for their own personal benefit.

Plus Capital's policy prohibits any employee from acting upon, misusing, or disclosing any material, non-public information, known as insider information, and any violations of this policy will result in prompt disciplinary action and/or termination. Plus Capital's policy does allow employees to maintain personal securities accounts provided any such investing by the employees or household family members is consistent with Plus Capital's fiduciary duty to its clients. The employee must report all such account and reportable transactions to Plus Capital's Chief Compliance Officer.

Plus Capital's policy is to protect the confidentiality, integrity and security of any non-public, personal information of its clients and prospects and to prevent unauthorized access to, or the use or disclosure of, such information.

Plus Capital's employees and their affiliated persons may come into possession from time to time of material nonpublic or other confidential information about public companies which, if disclosed, could affect an investor's decision to buy, sell or hold a security. Under applicable law, the employees and their affiliated persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Plus Capital.

The principals and employees of Plus Capital and their affiliates may directly or indirectly own an interest in Plus Capital's Funds. Plus Capital believes that such interests do not create a conflict of interest and instead operate to align the interests with the Funds. Plus Capital and its affiliates may acquire or possess interests in a portfolio company outside of a Fund (each, an "**External Investment**", and collectively, the "**External Investments**") and the External Investments may be of a different class or type, with different rights and preferences, than those held by the Fund.

## **Item 12: Brokerage Practices**

Plus Capital's practices involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly traded securities. With respect to such private transactions, Plus Capital believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction. Although it is not anticipated, Plus Capital could purchase or sell publicly traded securities from time to time.

In such circumstances, Plus Capital considers various factors in determining which broker is most likely to deliver best execution including, but not limited to:

- Plus Capital's knowledge of negotiated commission rates and spreads currently available;
- the nature of the security or instrument being traded;
- the size and type of the transaction;
- the nature and character of the markets for the security or instrument to be purchased or sold;
- the desired timing of the trade;
- the activity existing and expected in the market for the particular security or instrument;
- confidentiality;
- the execution, clearance, and settlement capabilities as well as the reputation and perceived financial soundness of the broker selected, and other brokers considered;
- Plus Capital's knowledge of actual or apparent operational problems of any broker;

- the broker/dealer's execution services rendered on a continuing basis and in other transactions; and
- the reasonableness of spreads or commissions.

Plus Capital does not maintain relationships with broker-dealers that feature soft-dollar benefits or referral arrangements.

### **Item 13: Review of Accounts**

Plus Capital monitors each of the investments it makes in portfolio companies on an ongoing basis.

Investors in PCAF I and PCAF II will receive written financial reports, including a Statement of Assets, Liabilities and Partners' Capital, Statement of Operations, Statement of Changes in Partners' Capital, Schedule of Investments, Schedule of Realized Gain/Loss (if applicable), and a supplemental statement of such investor's capital account on a quarterly basis. On an annual basis, investors in PCAF I and PCAF II will also receive audited financial statements of the Fund and tax information necessary for the completion of U.S. tax returns. For all other Funds, investors will receive reports as required pursuant to such Fund's Offering Documents.

Each Fund's General Partner shall determine the fair value of the Fund's assets in its discretion as provided in such Fund's operating agreement.

### **Item 14: Client Referrals and Other Compensation**

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals, although we reserve the right to do so in the future where permitted by applicable laws and regulations.

### **Item 15: Custody**

Plus Capital acts as the general partner or managing member of private investment vehicles and therefore is deemed by the SEC to have custody of those assets because the General Partners of the Funds each serve in a capacity that provides it with access to the assets.

In order to comply with Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**") and avoid any potential conflict of interest that indirect custody of client assets may cause, private investment vehicles managed by Plus Capital are either (i) maintained with a "**qualified custodian**" and undergo a surprise annual audit or (ii) undergo an annual financial statement audit, in each case, by an independent auditor who is a member of and subject to inspection by the Public Company Accounting Oversight Board, with such audits delivered to investors in compliance with the SEC's Custody Rule.

Where assets are held by a qualified custodian, Plus Capital will notify clients in writing of the qualified custodian's name, address and the manner in which the assets are maintained at the time of investment and promptly following any changes to this information.

### **Item 16: Investment Discretion**

Plus Capital manages the Fund's assets on a discretionary basis. Plus Capital serves as the investment manager for each of the Funds and, within such role, exercises investment discretion. There are generally no limitations placed on such authority. Any limitations to Plus Capital's discretionary authority are described in such Fund's Offering Documents.

**Item 17: Voting Client Securities**

Although Plus Capital does not currently advise funds that may hold securities necessitating the voting of proxies, in compliance with the Advisers Act's Proxy Voting Rule, we have adopted proxy voting policies and procedures. The Firm will comply with the Proxy Voting Rule and will act solely in the best interests of its clients if exercising its proxy voting authority. Generally, investors may not direct our vote in a particular solicitation. Clients or investors may obtain a copy of our proxy voting policies and procedures by contacting the CCO at [ir@pluscapital.com](mailto:ir@pluscapital.com).

**Item 18: Financial Information**

Plus Capital is not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to our clients. As of the date hereof, Plus Capital has never been the subject of a bankruptcy petition.