

Part 2A of Form ADV: Parallaxes Capital Management, LLC - *Brochure*

Item 1 - Cover Page

March 24, 2024

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This Brochure provides information about the qualifications and business practices of Parallaxes Capital Management, LLC (the “Adviser” or “Investment Manager” or “Firm” or “Parallaxes”). If you have any questions about the contents of this brochure, please contact us at (630) 277-9445. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Parallaxes Capital Management, LLC is an SEC-registered investment adviser firm. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Parallaxes Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This section of the Brochure addresses “material changes” that have taken place since the last annual update and will be posted to the SEC’s public disclosure website (IAPD). Parallaxes Capital Management, LLC is amending this Brochure as part of its Form ADV Annual Amendment for fiscal year ending December 31, 2023. Since Parallaxes Capital Management, LLC filed its most recent Part 2A of Form ADV on March 21, 2023 the following material changes occurred:

- Harrison Hsueh became Chief Compliance Officer.

Future Brochure filings will address “material changes” since the date of this filing concerning Parallaxes, which will either be delivered, or offered for delivery, to clients. A copy may also be downloaded from the SEC’s website, www.adviserinfo.sec.gov.

Our Brochure may be requested by contacting Harrison Hsueh, the Adviser’s Chief Compliance Officer at harrison@plxcap.com

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Item 4 - Advisory Business

- A. The Adviser is a Delaware limited liability company and has its principal place of business located in New York City, New York. The Adviser provides discretionary investment advisory services to private pooled investment vehicles, (each a “Fund”, “Client” or collectively, the “Funds” or “Clients”) for sophisticated, qualified investors.¹ Additionally from time to time and as permitted by the relevant Offering Documents, the Adviser provides co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Parallaxes personnel and/or certain other persons associated with Parallaxes.
- B. The Adviser was formed in 2017. The principal owner is Andrew Lee (the “Principal”).
- C. The Adviser’s investment strategy, which will consist of primarily acquiring tax receivable agreements (“TRAs”) using a variety of sourcing strategies. The Adviser may purchase TRAs from financial sponsors taking portfolio companies public or seeking liquidity for existing TRAs entered into with former portfolio companies. The Adviser may work to originate private TRAs in M&A transactions where buyers may not appropriately value tax assets, and may partner with sell side M&A advisors to locate such opportunities with private sellers. The Adviser may seek to partner with third-party debt platforms that may provide leverage for the Funds’ TRA investments.
- D. While each of its Clients will follow the general strategy stated above, the Adviser may tailor the specific advisory services with respect to each Client based on the particular investment objectives and strategies described in the applicable Client’s (i) confidential offering memorandum or (ii) governing documents (referred to collectively as “Offering Documents”).

All discussion of the Clients in this Brochure, including but not limited to their investments, the strategies used in managing the Clients, and conflicts of interest faced by the Adviser in connection with the management of the Clients are qualified in their entirety by reference to each Client’s respective Offering or Governing Documents.

- E. The Adviser does not participate in wrap fee programs.
- F. As of December 31, 2023, the Adviser manages approximately \$295 million in discretionary assets and \$93 million in non-discretionary assets.

¹ As a registered investment adviser, the Adviser owes a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the “client” of an investment adviser to a private fund is the fund itself and not an investor in the fund.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to its Clients. The Adviser may enter into different fee arrangements on a Client-by-Client basis.

Management Fees. Unless otherwise stated in each Fund's governing documents, the Adviser is generally entitled to a management fee (the "Management Fee") in consideration for the management services rendered by the Manager. The calculation of this Management Fee will depend on each Fund's governing documents and will be determined by the General Partner of each Fund in its sole discretion.

Carried Interest. Unless otherwise stated in each Fund's governing documents, the Adviser is generally entitled to a performance-based profit allocation at the end of each calendar year ("Carried Interest"). The terms and calculation of Carried Interest will be dictated entirely by the Firm's relevant offering materials, which will vary by the Fund or offering.

Transaction Fees. Transaction fees may be paid to the Manager or any other GP affiliate by any party in connection with the acquisition, termination, cancellation, or abandonment of a potential investment that is ultimately not consummated, including any transaction, closing, advisory, investment banking, "break-up" or "topping" fees. Potential conflicts of interest may arise as a result of the economic benefits Parallaxes and its affiliates may receive from the payment of Transaction Fees. In addition, the Management Team, Parallaxes or any of their respective employees or affiliates may receive fees or other compensation from any TRA counterparty or any other person or entity in respect of consulting services, including services relating to TRAs.

Expenses. Typically, the Funds will pay or reimburse the General Partner for all expenses incurred in connection with Fund offerings. On an ongoing basis the Funds typically pay or reimburse the Investment Manager for paying legal and accounting and administration expenses; interest on borrowings; custodial fees; bank service fees; withholding and transfer fees; investment related expenses including brokerage commissions, research and market data expenses; systems and technology expenses; corporate licensing fees; fund administration expenses; fees for risk management advisory services and software; fees for compliance advisory and related services; expenses for investment consultants; expenses of preparing, copying and distributing offering materials and reports pertaining to the Funds; costs of other service providers to the Funds deemed appropriate by the Investment Manager; taxes; insurance and litigation and indemnification expenses.

Miscellaneous

The Adviser may agree with certain investors to a variation of the terms set forth in a Fund's Offering Documents, including different Management Fees, Carried Interest, or withdrawal/redemption rights.

- B. Management Fees and Carried Interest from the Funds are generally deducted directly from the capital accounts of the Funds' investors. Fees are calculated and deducted quarterly and Carried Interest is calculated and deducted at the end of each calendar year or upon a withdrawal if appropriate.

- C. Clients will incur brokerage and other transaction costs. Item 12 of this brochure discusses how the Adviser selects brokers and determines the reasonableness of their compensation. The direct expenses borne by each Client are described in more full detail in each Client's Offering Documents and Governing Documents.
- D. Fund Management Fees are typically payable quarterly in advance. Once paid, the Management Fee is non-refundable, except in limited circumstances.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

Item 6 - Performance-Based Fees and Side-By-Side Management

As stated in Item 5 above, the Adviser or its affiliates receive performance-based fees or carried interest from certain Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future clients, the Adviser has implemented policies and procedures to ensure that all clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

Item 7 - Types of Clients

As mentioned in Item 4, the Adviser provides both discretionary and non-discretionary investment advisory services to private pooled investment vehicles.

The minimum investment in a Fund is typically \$10,000,000 but can be waived within the sole discretion of their respective General Partners.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy Overview and Methods of Analysis

The Adviser's principal trading objective is to develop a portfolio that consists primarily of direct investments in tax receivable agreements or other tax assets by means of a contractual right, a participation right, or otherwise, as well as investments in securities of entities formed to hold one or more direct investments in tax receivable agreements.

Risk Factors

An investment with the Adviser involves substantial risks of loss that all Clients should be prepared to bear, and prospective investors should carefully consider, among other factors, the risks described below. These risk factors are not intended to be an exhaustive listing of all potential risks associated with an investment with the Adviser. An investor is encouraged to fully read and review the risk factors discussed in any relevant offering documents.

An investment with the Adviser is speculative because of a variety of risks and considerations. Among them are various investment risks, such as weakened financial condition of the companies and entities from which the Adviser expects to invest in tax receivable agreements or other tax assets; risks inherent in portfolio techniques such as short selling, high concentration, options, workouts, risk arbitrage, non-investment grade or illiquid securities, securities of non-U.S. issuers and securities denominated in or whose prices are quoted in non-U.S. currencies, and the use of leverage.

The Adviser also has various management risks and considerations, such as the possibility of high portfolio turnover and high brokerage and other operational costs; the potential loss of key management personnel, none of whom have long-term employment contracts; the authority of the Adviser to execute portfolio transactions and other potential conflicts of interest; and the inability of the Limited Partners of the Funds to remove or replace the Investment Manager or General Partner other than in extreme circumstances.

The Funds also have various investor risks, including the lack of transferability of Limited Partnership Interests; the inability to withdraw capital other than on predefined terms as more explicitly explained in the Offering Documents; and the ability of the General Partner to force a withdrawal of any Limited Partner or to dissolve the Funds at any time.

Business Risks

No Assurance of Investment Return. The General Partner cannot provide assurance that it will be able to choose, make or realize any particular investment or that the Funds will be able to invest fully its committed capital. There is no assurance that the Funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of investments and transactions described herein. There can be no assurance that the Funds' investment objectives will be achieved or that there will be any return of capital. Therefore, an investor should only invest in a Fund if the investor can withstand a total loss of its investment. The past investment performance of entities with which personnel of the General Partner have been

associated should not be construed as an indication of future results of any investment in the Fund. There can be no assurance that projected or targeted returns for the Funds will be achieved.

Pandemics and Other Public Health Crises; General Economic Conditions. The Funds' success could be materially and adversely affected by the outbreak of pandemics or other public health crises. For example, in late December 2019 a notice of pneumonia of unknown cause originating from Wuhan, China was reported to the World Health Organization. A novel coronavirus ("COVID-19") was identified and was subsequently declared a pandemic on March 11, 2020 as it spread globally. The ongoing outbreak of COVID-19 has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across nearly all of the world's largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects are possible, including a further global or regional economic downturn of indeterminate duration and severity. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. The risk of continued spreading of COVID-19 has led to significant uncertainty and volatility in the financial markets and disruption to the global economy, the consequences of which are currently unpredictable and could have a significant adverse impact and result in significant losses to the Funds. As a result of COVID-19, certain of the Funds' TRA counterparties are likely to, or are likely to have exposure to businesses that, experience a slowdown or temporary suspension in business activities. Any prolonged restrictive measures instituted in order to prevent or control a pandemic or other public health crisis, such as the one posed by COVID-19, could have a material and adverse effect on the Funds' TRA investments, including by reducing the amount of taxable income realized by the counterparties to the Funds' TRA investments or potential TRA investments and thereby decreasing the amount, or delaying the making, of payments under TRAs. In addition, the operations of the Funds, the General Partner and Parallaxes Capital could be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health crisis.

More generally, further negative impact on economic fundamentals and consumer and business confidence, whether due to the continued spread and impact of COVID-19 or other economic causes, would likely continue to increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of investments made by the Funds, and these or similar events may affect the Funds' ability to execute its investment strategy. For example, during the global financial crisis of 2007 to 2008, various sectors of the global financial markets experienced an extended period of adverse conditions following serious disruptions in the U.S. residential mortgage market. Market uncertainty in the United States increased dramatically during this time, and adverse market conditions in the United States expanded to other markets. These conditions resulted in reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. These difficult global credit market conditions adversely affected the market values of equity, fixed income and other securities. To the extent that similar marketplace conditions deteriorate, these conditions may have an adverse impact on the Funds and its investments.

Market Disruption and Geopolitical Risk. The Funds are subject to the risk that war, armed conflict, economic sanctions and related measures, political instability, terrorism, public health epidemics such as COVID-19, and related geopolitical events could lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of the Funds' investments. War, armed conflict, political instability, terrorism, public health epidemics such as COVID-19, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and could have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of the Funds' investments. At such times, the Funds' exposure to a number of other risks described elsewhere in this section can increase.

Russia launched a large-scale invasion of Ukraine on February 24, 2022 and in response, governments in the United States and many other countries have imposed economic sanctions on certain Russian individuals, including Russian government officials and other government-linked individuals, and Russian corporate entities and financial institutions, banned certain Russian financial institutions from global payments systems that facilitate cross-border payments and have taken other economic and political measures and could also institute broader sanctions or other economic or political measures on Russia, which could result in the immediate freeze of Russian securities and/or funds invested in prohibited assets and/or other consequences. The extent and duration of the military action, the possibility of the conflict expanding beyond Ukraine and Russia and resulting sanctions and other economic or political measures and future market disruptions in the region and worldwide are impossible to predict, but could be significant and have a severe adverse effect on the region and collateral effects globally, including significant negative impacts on the global economy and the markets for certain securities and commodities, such as oil and natural gas, as well as other sectors.

Deterioration of the Credit Market. The global slowdown during the global financial crisis of 2007 to 2008 and the weakening of the credit market, along with a widening of credit spreads, a deterioration of the subprime and global debt markets and a rise in interest rates, reduced investors' demand for high-yield debt and senior bank debt, which in turn led some investment banks and other lenders to be unwilling to finance new investments or to only offer committed financing for

these investments on unattractive terms. The current global economic slowdown due to the spread and impact of COVID-19 may have similar or other negative long-term economic and marketplace effects. The ability of the Funds to generate attractive investment returns for its investors may be adversely affected to the extent the Funds or its investments are unable to obtain favorable financing terms. Moreover, to the extent that such marketplace events continue and/or exacerbate, they may have a continued adverse impact on the availability of credit to businesses generally and could lead to a further weakening of global economies. Such an economic downturn could adversely affect investments in which the Funds intend to participate, may result in the decreases of amounts payable under TRAs or inability of a TRA counterparty to make payments when due under TRAs, and may also restrict the ability of the Funds to sell or liquidate investments at favorable times or for favorable prices.

Concentration Risk. The Funds intend to invest primarily in TRAs. While the Funds will have exposure to a portfolio of TRAs, the aggregate returns realized by the limited partners may nevertheless be materially adversely affected by the unfavorable performance of one or a small number of the investments. This focus may constrain the liquidity and the number of investment opportunities available for investment by each Fund. In addition, the Funds' investments will be disproportionately exposed to risks associated with tax laws and regulations.

TRA Risks. Investments in tax receivable agreements are disproportionately exposed to risk associated with tax laws and regulations.

Illiquid Securities. The Investment Manager expects that the Funds may invest in securities which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be more volatile, and the Funds may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. In addition, the value assigned to such securities for the purposes of determining Net Profit and Net Loss may differ from the value the Funds are able to ultimately realize.

The Funds intend to invest in instruments and assets that are not, and are not expected to become, publicly traded. The Funds will generally not be able to sell instruments or assets publicly. Furthermore, the types of investments made by the Funds may require a substantial length of time to be fully monetized. Given the nature of the investments contemplated by the Funds, there is a material risk that the Funds will be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy. In particular, these risks could arise from changes in the financial condition or prospects of the TRA counterparty, changes in national or international economic conditions, changes in debt and equity capital markets and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made.

In connection with the disposition of a portfolio of TRAs, the Funds may be required to make representations about certain issues or may be responsible for the contents of disclosure documents under applicable securities laws. The Funds may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by proceeds, including return of capital, from the Funds' other investments or by the partners.

Among the realization options that Parallaxes expects to evaluate, as appropriate, for each Fund's portfolio include seeking to engage with financing sources on opportunities to accelerate the return

of capital or seeking opportunities for a whole-portfolio sale. However, there may be considerations related to TRAs – including the emerging nature of the TRA market and the lack of understanding of the asset class – which make it more difficult for Parallaxes Capital to realize value on the Fund’s portfolio than would be present in a more traditional portfolio.

Investment Selection; Reliance on Management. The Investment Manager will select investments for the Funds on the basis of publicly available information. Although the Investment Manager intends to evaluate carefully all such information and to seek independent corroboration when it considers corroboration appropriate and when it is reasonably available, it will not be in a position to confirm the completeness, genuineness or accuracy of such information.

Limited Partners will not have an opportunity to select or evaluate any Fund investments, or to review the Fund’s securities positions at any given time. All Fund investments will be selected by the Investment Manager and the quality of its decision will dictate each Fund’s success or failure.

Restructurings or Bankruptcy Proceedings. The Funds may invest in securities of companies involved in restructurings or bankruptcy proceedings. Such securities are, in certain circumstances, subject to certain liabilities, which may exceed the cost of the Funds’ original investment. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to its Partners may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Leverage. To the extent permitted by applicable regulations and the relevant Offering Documents, the General Partner may cause the Funds to borrow funds. While leverage presents opportunities for increasing a Fund’s total return, it has the effect of potentially increasing losses as well. If income and appreciation on the investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the Funds’ net assets will decrease. Accordingly, any event, which adversely affects the value of an investment by the Funds, would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by each Fund in a market that moves adversely to the Fund’s investments could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged.

The Dodd-Frank Act. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which was enacted on July 21, 2010, significantly revised, and expanded the rulemaking, supervisory and enforcement authority of federal bank, securities, and commodities regulators. The Dodd-Frank Act includes provisions applicable to both large and small financial institutions, including provisions that affect the lending, deposit, investment, trading and operating activities of banks and their holding companies. It also requires various federal bank and financial regulatory authorities to adopt a broad range of implementing rules and regulations.

The Dodd-Frank Act imposes certain reporting obligations on Parallaxes with respect to the Funds. Records and reports relating to the Funds are subject to inspection by the U.S. Securities and Exchange Commission (“SEC”) and will likely include sensitive information, including with respect to Parallaxes, the Funds and the Fund investments. No assurance can be given that records or reports disclosed to the SEC or other governmental entities will not have a significant negative impact on the Funds, Parallaxes or any individual investor in the event that such information becomes public. In addition, SEC scrutiny of investment advisers and the possibility of SEC audit may increase the Funds’ compliance, administrative and other operational costs. Parallaxes registered as an investment adviser with the SEC in April 2021. As a registered investment adviser, Parallaxes Capital is subject to increased recordkeeping and reporting obligations. Records and reports relating

to the Funds will be required to be retained by Parallaxes and that are subject to inspection by the SEC will include: (i) assets under management and use of leverage (including off balance-sheet leverage); (ii) counterparty credit risk exposure; (iii) trading and investment positions; (iv) valuation policies and practices of the Partnership; (v) type of assets held; (vi) side arrangements or side letters; (vii) trading practices; and (viii) such other information as the SEC, in consultation with the Financial Stability Oversight Council, determines is necessary and appropriate. As noted, no assurance can be given that the mandated disclosure of records or reports to the SEC or other governmental entities will not have a significant negative impact on the Funds, Parallaxes, or any individual investor if they become public. In addition, the increased recordkeeping and reporting requirements and enhanced SEC scrutiny and likelihood of audit as a result of registration with the SEC may increase the Funds' compliance, administrative and other operational costs, and require Parallaxes personnel to devote additional time to compliance functions.

There can be no assurance that future regulatory actions authorized by the Dodd-Frank Act will not adversely affect the Funds.

Enhanced Scrutiny and Regulations of the Private Funds and Financial Services Industries. The growth of the private funds industry, and the increasing size and reach of transactions, as well as the increased attention to private funds, prompted governmental and public attention to the private funds industry and its practices in the past several years. In particular, the Dodd-Frank Act requires registration with the SEC of advisers to private funds whose assets under management exceed \$150 million (with certain limited exceptions) and imposes reporting and record-keeping obligations with respect to the private funds they advise. The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity and hedge funds and other provisions that affect the private funds industry, either directly or indirectly. In addition, as alternative asset managers have become influential participants in the U.S. and global financial markets and economy generally, the private funds industry has been subject to criticism by some politicians, regulators and market commentators. In Germany, for example, U.S. and UK private equity firms are perceived by some as having been responsible for high levels of domestic unemployment. There have been similar concerns expressed in other European countries. Various federal, state and local agencies examined the role of placement agents, finders and other similar private funds service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Furthermore, elements of organized labor and other representatives of labor unions embarked on a campaign targeting private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio companies. There can be no assurance that the foregoing will not have an adverse impact on the Funds, Parallaxes or any of their respective affiliates or otherwise impede any Fund's activities.

This increased political and regulatory scrutiny of the private funds industry was particularly acute during the global financial crisis. For example, in addition to the U.S. and European legislation described above, other jurisdictions proposed modernizing financial regulations that called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds. There is a risk that regulatory agencies in the United States, Europe or elsewhere may continue to adopt burdensome laws (including tax laws) or regulations, or may implement changes in law or regulation, or may pursue interpretation or the enforcement thereof, which are specifically targeted at the private funds industry. With respect to interpretation and enforcement in the United States, the SEC stated publicly in recent years that its Office of Compliance Inspections and Examination intensified efforts to examine private fund advisers, with

a focus on issues of concern identified in the course of presence exams of newly registered advisers that occurred shortly after the enactment of the Dodd-Frank Act. Such issues included, among others, the disclosure and allocation of fees, costs and expenses; marketing practices; portfolio management; conflicts of interest; safety of client assets; and valuation. Consistent with such efforts, the SEC dramatically increased its pursuit of enforcement actions against private fund managers. Such actions alleged a variety of conduct, including undisclosed or unapproved related-party and affiliate transactions, as well as undisclosed fees, costs and expenses, and other undisclosed conflicts of interests. Industry observers are uncertain as to whether the enforcement trend is likely to continue. There can be no assurance that the Funds, Parallaxes or any of their respective affiliates will avoid regulatory examination and possibly enforcement actions. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including the undisclosed allocation of the fees, costs and expenses related to unconsummated co-investment transactions (i.e., the allocation of broken deal expenses), undisclosed legal fee arrangements affording the applicable adviser with greater discounts than those afforded to funds advised by such adviser and the undisclosed acceleration of monitoring fees. In summary, regulation generally as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, whether in the United States or abroad, could increase the cost of acquiring, holding or divesting the Funds' investments, the profitability of such enterprises and the cost of operating the Funds. Additional regulation could also increase the risk of third-party litigation. The transactional nature of the business of the Funds exposes the Funds, Parallaxes and each of their respective affiliates generally to the risks of third-party litigation.

Capital Calls and Use of Subscription Lines and Asset-Backed Facilities. The Funds may enter into credit facilities or other borrowing arrangements. The Funds may make investments with proceeds from such facilities prior to the receipt of capital contributions. For administrative convenience, drawdowns may be "batched" together into larger, less frequent capital calls (although actual timing and amounts may vary), with the Fund's interim capital needs being satisfied by the Fund borrowing money from such borrowing facilities. The interest expense and other costs of any such borrowings will be expenses of the Fund and, accordingly, may decrease net returns of the Fund. Interest may accrue on any such outstanding borrowings at a rate lower than the preferred return of the Funds. In light of the foregoing, and because the preferred return of the Fund is calculated based on the date of capital contributions (as will be the track record for the Fund), Parallaxes may have an incentive to fund the acquisition and ongoing capital needs of investments of the Fund and the Fund with the proceeds of such borrowings in lieu of drawing down capital commitments.

Interim Financing. From time to time, the Funds expect to provide interim financing or may "underwrite" co-investment capital in order to facilitate an investment, typically on a short-term basis in anticipation of a refinancing, repayment or a "sell down" to co-investors. For reasons not always in the Funds' control (e.g., co-investors do not ultimately invest in the TRA or consent by the TRA counterparty for sell-down is not obtained), such bridge financings may not be refinanced, repaid or "sold down" to co-investors, in which case, the Funds' exposure to the applicable investment will be larger than originally intended or desired. Furthermore, in such event, any interest received by the Fund for providing such interim financing may not adequately reflect the risk associated with the unsecured position taken by the Fund.

Valuations. Because there is no public market for TRA investments, they are difficult to value. Disruption and volatility in U.S. and global markets have created and may continue to create additional challenges in accurately valuing such investments. In addition, accounting guidance has changed and may continue to change the way that valuations must be made. Apart from such market events and accounting guidance, the valuation process inherently involves a degree of subjectivity,

particularly in illiquid markets, where the exercise of judgment is critical to determining fair value. For these and other reasons, Parallaxes may make investment decisions based on imprecise, incomplete or inaccurate valuation information, which may adversely affect a Fund and its investors. Furthermore, valuations of the Fund's investments made by Parallaxes will impact the amount of fees paid by limited partners to the Fund.

Follow-On Investments. The Funds may be called upon to provide follow-on funding in respect of its investment in a TRA or may have the opportunity to increase such investment. There can be no assurance that the Funds will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by the Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on the value of the Fund's existing investment in such TRA.

Dilution from Subsequent Closings. Limited partners subscribing for interests in the Fund at closings after the initial closing will participate in existing investments of the Fund, diluting the interest of existing limited partners therein. Although limited partners entering the Fund at subsequent closings will contribute their pro rata share of previously made capital contributions (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of the Fund's existing investments at the time such additional limited partners subscribe for interests in the Fund.

Risk of Non-U.S. Investments. The Funds may make investments with TRA counterparties in countries outside of the U.S., some of which may prove unstable. Depending on the country in which a TRA counterparty is located, such investments may involve a number of risks, including the risk of adverse political developments such as nationalization, confiscation without fair compensation or war, and the risk of regulations which might prevent the implementation of cost cutting or other operational improvements.

Because the Funds are expected to make investments with TRA counterparties in a number of different countries, any fluctuation in exchange rates may affect the value of investments and the calculation of the General Partner's carried interest. The Funds may employ hedging techniques designed to reduce the risk of adverse movements in currency exchange rates. See "Hedging Policies/Risks" below.

Investments with TRA counterparties may require government approvals. Such investments may also give rise to taxes in local jurisdictions, which may not give rise to any corresponding credit or tax benefit to a limited partner. In addition, some governments from time to time may impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate the local currency. Finally, the laws of various countries governing business organizations, bankruptcy and insolvency may make legal action difficult and provide little, if any, legal protection for investors.

The availability of information within developing countries and emerging market jurisdictions, including information concerning their economies and companies in such countries, and the amount of government supervision and regulation of private companies in developing countries, generally is more limited than in more developed countries. The accounting, auditing and financial reporting standards and practices of certain countries may not be equivalent to those employed in more developed countries and may differ in fundamental respects. Accordingly, the Funds' ability to conduct due diligence in connection with its investment and to monitor the investment may be

adversely affected by these factors. The Funds may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of the country in question where it may be difficult to obtain and enforce a judgment.

Significant Changes in Global Trade Agreements. The United States, the United Kingdom and certain other countries have made significant changes in their position towards various trade agreements and relationships. In June 2016, the United Kingdom (the “UK”) approved a referendum to leave the European Union (“EU”), commonly referred to as “Brexit,” which sparked depreciation in the value of the British pound and heightened risk of continued economic volatility within the UK and the EU. In January 2017, President Trump signed an executive order withdrawing the United States from the Trans-Pacific Partnership. The North American Free Trade Agreement (NAFTA), which promoted free trade between Canada, Mexico and the United States was replaced with the United States-Mexico-Canada Agreement in 2020. These changes in posture towards multi-lateral trade agreements could impact national and global economies, increase market volatility and cause prolonged periods of uncertainty for companies in industries and economic sectors most impacted by the changes.

Competition for Investments. Although the Investment Manager believes that many investment opportunities exist and will develop which will be suitable for the Funds in connection with seeking to achieve its investment objectives, a number of other funds, institutions and other investors are seeking similar objectives by employing investment strategies similar to those of the Fund. Accordingly, the identification of attractive investment opportunities is difficult, competitive and involves a high degree of uncertainty. There can be no assurance that sufficiently attractive investment opportunities will be found to achieve the Funds’ investment objectives.

Reliance on Management of TRA Counterparties. Parallaxes and its affiliates will monitor the performance of TRA counterparties, including maintaining an ongoing dialogue with the company’s management team, where possible. However, management will be responsible for the operations of the company. There can be no assurance that the existing management team, or any new one, will be able to operate such counterparty successfully.

Risk Control Framework. It is expected that Parallaxes and/or its affiliates have or will implement risk control systems to help manage risk exposure. However, no risk control system is fail-safe, and no assurance can be given that any risk control frameworks will achieve their objectives.

Hedging Policies/Risks. In connection with certain investments, the Funds may employ hedging techniques designed to reduce the adverse movements in interest rates, credit, securities prices and currency exchange, which, if employed by the Funds, presents certain risks to the relevant Fund. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater, or gains smaller, than losses or gains, as the case may be, in the value of the underlying position. While the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, credit defaults, securities prices or currency exchange rates may result in a worse overall performance for the Fund than if they had not entered into such hedging transactions. In situations in which the Fund is required to post margin or other collateral with a counterparty, the counterparty may fail to segregate the collateral or may commingle the collateral with the counterparty's own assets. As a result, in the event of the counterparty's bankruptcy or insolvency, the Fund's collateral may be subject to the conflicting claims of the counterparty's creditors, and the Fund may be exposed to the risk of a court's treating the Fund as a general unsecured creditor of the counterparty, rather than as the owner of the collateral. Additionally, such

hedging transactions will add to the cost of the investment, may require ongoing cash payments to counterparties, may subject the Fund to the risk that the counterparty defaults on its obligations and may produce different tax consequences to the Fund's limited partners than would apply if the Fund had not entered into such hedging transactions. The Fund may also seek to obtain tax rate insurance and may seek to hedge investments utilizing such insurance. However, there is no assurance that the Fund will be able to obtain tax rate insurance on terms that the General Partner determines are acceptable, or at all. If the Fund is unable to obtain tax rate insurance or is only able to obtain tax rate insurance on terms which are not commercially favorable, the Fund may be subject to an increased risk of loss.

Partnership and Other Risks

Conflicts of Interest. There are certain actual, inherent, and potential conflicts of interest between the General Partner, its employees, officers, directors, principals, members, and partners and/or various other existing and future pooled investment vehicles and client accounts ("Other Parallaxes Clients"), on the one hand, and each Fund, on the other. The discussion below enumerates certain of such conflicts of interest, but it is difficult to predict all circumstances under which the interests of such persons might come into conflict with the interests of the Funds. The applicable general partner can give no assurance that conflicts of interest will be resolved in favor of the Funds, and, in fact, they may not be. By acquiring an interest in a Fund, each investor will be deemed to have acknowledged the existence of such actual, apparent and potential current and future conflicts of interest and that such conflicts will be resolved by the General Partner in its sole discretion, but without any guarantee that any situation involving a conflict will be resolved in favor of the Fund, and to have consented thereto, and to have waived any claim in respect of the existence or resolution of any such conflict of interest.

Other Parallaxes Clients. In addition to responsibilities with respect to the management and investment activities of a Fund, the General Partner, Parallaxes, the Management Team and their affiliates will have similar responsibilities with respect to various Other Parallaxes Clients, including Other Parallaxes Clients that are expected to (i) have similar, overlapping and potentially conflicting investment strategies with that of the Fund and (ii) invest in certain TRAs with the same counterparties as TRAs invested in by the Fund, as described in greater detail below. The existence of such multiple vehicles and accounts necessarily creates a number of potential conflicts of interest.

Investments Involving Other Parallaxes Clients

Parallaxes and its affiliates will have ongoing interests, including economic interests, in Other Parallaxes Clients. Accordingly, Parallaxes and its affiliates will experience a variety of conflicts of interest to the extent that the interests of such Other Parallaxes Clients would be adversely affected by investment decisions that would otherwise be in the best interest of the Fund. Similarly, if such entities or persons are faced with investment decisions for such Other Parallaxes Clients that would be in the best interest of such Other Parallaxes Clients but would otherwise adversely impact the Fund or any of its TRA investments, they will nevertheless be incentivized to make such decisions for the benefit of such Other Parallaxes Clients to the detriment of a Fund or TRA investment if they are economically or otherwise incentivized to do so (e.g., due to the prospect of earning more carried interest, management fee or other fees). Prospective investors should therefore understand and expect that, with respect to any such Other Parallaxes Client, such entities and persons will generally act (and are likely required to act) in the best interests of such Other

Parallaxes Client, even if such interests are adverse to (or if the pursuit of such best interests are detrimental to) the interests of a Fund or any of its TRA investments. Conversely, the best interests of any Fund or any of its TRA investments could be adverse to (and the pursuit of such best interests could be detrimental to) the interests of such Other Parallaxes Client.

Such conflicts will be exacerbated when a Fund and an Other Parallaxes Client invest in the same TRA or related TRAs. Such investments may be made at different times and at different valuations, and/or on different terms. In addition, the Fund and an Other Parallaxes Client may dispose of their investments in the same TRA or a related TRA at different times and at different valuations and/or on different terms. Accordingly, prospective investors should expect that conflicts of interests will arise when one or more Other Parallaxes Clients invest in a TRA in which the Fund holds an interest (or where the Fund holds an interest in a related TRA) or when the Fund invests in a TRA in which one or more Other Parallaxes Clients hold an interest (or holds an interest in a related TRA). The General Partner and the Manager will endeavor to resolve such conflicts of interest in a manner they determine to be fair and reasonable under the circumstances and over time.

Any Fund may, from time to time, invest in a TRA with a TRA counterparty in circumstances in which an Other Parallaxes Client has invested, or will invest in a TRA with the same TRA counterparty, which may be accomplished by (i) investing in a single TRA and an allocation by the manager of entitlements to TRA payments from such TRA among the applicable Fund and such Other Parallaxes Clients (e.g., the Manager may allocate entitlement to payments during one period within the TRA's term to the Fund and entitlement to payments for another period within such TRA's term to one or more Other Parallaxes Clients) or (ii) the sale of a portion of an investment in a TRA (which portion may be attributable to entitlements to TRA payments over a certain time period) to a Fund from an Other Parallaxes Client or to an Other Parallaxes Client from a Fund. In such cases, the General Partner or the Manager may be required to make determinations as to the appropriate purchase price to be paid for such portions of a TRA asset or entitlements to payment therefrom by the Fund and by one or more Other Parallaxes Clients and/or the allocation of sales (or other) proceeds with respect to such TRA asset among the Fund and one or more Other Parallaxes Clients. In such cases, the General Partner or manager may, but will not be required to utilize the services of a third-party valuation agent to determine appropriate prices and allocations, and will, in any case, make such determination in a fair and equitable manner consistent with the manager's valuation methodologies.

In addition, the Funds may hold interests in a TRA asset with rights, preferences and privileges that are different than those held by Other Parallaxes Clients in a related TRA asset and, in such cases, the General Partner and the manager may be presented with decisions, including decisions regarding management of TRA assets or enforcement of rights thereunder, in which the interests of the Fund and the Other Parallaxes Clients conflict. For example, actions taken by Parallaxes on behalf of Other Parallaxes Clients may result in expense and delay in realizing returns on Fund investments that would not have resulted in the absence of such action by Parallaxes. In the foregoing cases, the Manager and its affiliates will take into account the relevant interests of all of their clients as a whole and will act in a manner that they determine is fair and equitable to such clients, taken as a whole.

If a Fund and an Other Parallaxes Client hold interests in the same TRA (or related TRAs) and are presented with the opportunity to sell some, but less than all, of such interests, Parallaxes will be required to allocate the opportunity to sell such interests between the Fund and such Other Parallaxes Client. Parallaxes may determine that the Fund and Other Parallaxes Clients invested in the same (or a related) TRA should not participate in such sale on a pro rata basis. For example,

Parallaxes may determine that disposition on a non-pro rata basis is appropriate in light of the respective investment horizons of the Fund and the Other Parallaxes Clients or is prudent or required for a tax or regulatory purpose or for any other reason. In addition, if the Fund and an Other Parallaxes Client hold interests in the same TRA (or related TRAs) and are presented with the opportunity to sell all, but not less than all, of such interests Parallaxes will need to determine whether to accept such opportunity.

In connection with any such disposition of a TRA investment (or related TRA investments) held by both a Fund and an Other Parallaxes Client, conflicts of interest will arise in the determination by Parallaxes of the appropriate method of disposition, timing of disposition and valuation at disposition of all or a portion of the Fund's and/or the Other Parallaxes Client's interest in such asset. Parallaxes may be incentivized to make such determinations in a manner that is to the benefit of such Other Parallaxes Client and to the detriment of the Fund. To the extent the General Partner determines, in its good faith judgment, that any such conflicts of interest are material and have not been previously consented to in advance by the limited partners, it must present such conflicts of interest to an LP advisory committee (or, in the general partner's discretion, to the limited partners) for review or approval, although it should be understood that a material conflict of interest will not be deemed to exist solely because one or more Other Parallaxes Clients invests in a TRA in which the Fund holds an interest (or TRA related thereto) or solely because the Fund invests in a TRA in which one or more Other Parallaxes Clients hold an interest (or TRA related thereto).

Allocation of Investment Opportunities. Parallaxes expects to conduct the investment programs of one or more Other Parallaxes Clients in a manner that is similar to the investment program of the Funds, including one or more Other Parallaxes Clients formed to invest in TRAs and other tax assets with lower expected returns than the Funds' investments. Parallaxes expects that investment opportunities will arise that will be suitable to one or more of the Fund and such Other Parallaxes Clients. Parallaxes will make allocation decisions between or among the Funds and the Other Parallaxes Clients in its discretion, consistent with its fiduciary duties and contractual commitments, and taking into account the respective investment programs, objectives and strategies, respective investment horizons, respective expected returns, respective risk profiles, market conditions, current or anticipated portfolios, legal, tax, regulatory or other considerations and available capital commitments of the Funds and such Other Parallaxes Clients (and any other factors it may deem relevant). The respective terms of the Funds and the Other Parallaxes Clients could create incentives for Parallaxes to allocate investment opportunities among the Funds or the Other Parallaxes Client based on Parallaxes' interests in the Funds and the Other Parallaxes Client (e.g., due to the prospect of earning more carried interest, management fee or other fees). Parallaxes will endeavor to allocate investment opportunities among, and manage the business and affairs of, the Funds and the Other Parallaxes Clients, in good faith and to treat each of the Other Parallaxes Clients and the Funds in a fair and equitable manner over time. There can be no assurance, however, that certain allocation decisions made with respect to the Fund and one or more of the Other Parallaxes Funds will not adversely affect the Funds or the limited partners, even if such allocation decisions are made in good faith. For the avoidance of doubt, in light of the foregoing disclosure, no allocation decision by Parallaxes will require the vote, consent or approval of the LP Advisory Committee or the limited partners. Nevertheless, there can be no assurance that any such conflicts of interest will be resolved in a manner that is fair and equitable to the Fund.

In light of the foregoing disclosure, each of the limited partners will be deemed to have consented to (x) the allocation of the entitlements to TRA payments under a TRA among the Funds and the Other Parallaxes Clients, (y) the acquisition of a TRA investment and the subsequent sale of an interest in such TRA investment to the Fund from an Other Parallaxes Client or to an Other

Parallaxes Client from the Fund, and (z) the disposition by the Funds of an interest in a TRA alongside the disposition by an Other Parallaxes Client of an interest in the same TRA and the allocation of the proceeds thereof, in each case on the terms determined by the General Partner, and no such transaction will require the vote, consent or approval of the applicable LP advisory committee or the limited partners.

Co-Investment Opportunities. To the extent it is allowed by the relevant offering documents, General Partner may in its discretion offer certain opportunities to co-invest with a Fund (“Co-Investment Opportunities”) to various third parties including, without limitation, certain limited partners, and Other Parallaxes Clients. The allocation of any such Co-Investment Opportunities may or may not be in proportion to the commitments of such investors and may involve different terms and fee structures. In these cases, while the General Partner will seek to act in the best interest of the Fund, it could be argued that the Fund received a smaller allocation in the particular investment than it otherwise would have received if the General Partner had not provided the third party with the Co-Investment Opportunity. Any expenses attributable to a particular investment held by the Fund and any co-investment vehicle established by Parallaxes will generally be allocated among the Fund and such co-investment vehicle pro rata in accordance with their respective aggregate invested capital in such investment. Any expenses associated with any proposed Fund investment that is ultimately not consummated (including any expenses that would have been allocable to co-investors had such proposed investments been consummated) will generally be borne by the Fund. Moreover, it is possible that certain terms and fee structures offered with respect to these Co-Investment Opportunities to third-party co-investors may be more favorable than those offered to limited partners of the Fund.

From time to time, in order to facilitate the acquisition of an interest in a TRA, the Funds will also make (or commit to make) an investment in such TRA with a view to selling a portion of a Fund’s interest in the TRA to co-investors after the consummation of the Fund’s investment. In such event, the Fund will bear the risk that any or all of the excess portion of such investment is unable to be sold or is only able to be sold on unattractive terms and that, as a consequence, the Fund would hold a larger than expected investment in such TRA, or could realize lower than expected returns from such Fund investment. The Fund will also bear the risk that any co-investors acquiring a portion of an interest in a TRA after closing could acquire such interest on terms that do not reflect the then-current value of the TRA. In addition, the Fund could borrow to fund the portion of a Fund investment that it intends to sell to co-investors. If the prospective co-investors do not ultimately invest in the TRA or if the Fund seeks to, but is unable to sell or dispose of a portion of the Fund’s interest in a particular Fund investment, the Fund will bear the interest and other expenses relating to any such borrowings, as well as the various fees, costs and expenses related to such Fund investment. Even if prospective co-investors ultimately invest in the TRA, they could refuse to bear any portion of the interests or other expenses related to such borrowings, as well as any of the other various fees, costs and expenses related to such Fund investment. The General Partner will generally seek to charge co-investors “cost of carry” on the amounts paid by co-investors for such warehoused investments, although co-investors will be free to determine whether or not they agree to bear such “cost of carry”, even if the General Partner determines that it should be charged. In such cases, the General Partner can determine in its discretion to syndicate the given investment to co-investors without charging any such “cost of carry.” The proceeds of the sale of any such warehoused investment, including any “cost of carry” collected by the Fund, will be distributed pursuant to the distribution waterfall described in each Client’s Offering Documents and Governing Documents. The warehousing of investments and the offering and sale of warehoused investments to co-investors will not require the consent of the LP Advisory Committee or any Limited Partner.

Management of the Funds. Employees, officers, directors, principals, members and affiliates of Parallaxes Capital and the General Partner are not obligated to devote their full time to the Funds but will devote such time as the General Partner in its sole discretion, deems necessary to effectively carry out the operations of the Funds. The members of the Management Team have agreed to devote (i) a substantial majority of their business time to the affairs of Parallaxes Capital and (ii) such business time as is reasonably necessary to effectively manage the affairs of the Funds. In addition, the General Partner, Parallaxes Capital, the Management Team and their affiliates have responsibilities with respect to Other Parallaxes Clients.

Carried Interest. The General Partner's carried interest may create an incentive for the General Partner to make more speculative investments for the Funds than it would otherwise make in the absence of such performance-based distributions. In addition, the method of calculating the General Partner's carried interest may result in conflicts of interest between the General Partner, on the one hand, and the limited partners, on the other hand, with respect to the management and disposition of investments.

Allocation of Expenses. The General Partner, the Manager, Parallaxes, the Management Team, Parallaxes' investment professionals and/or one or more of their respective affiliates will from time to time incur fees, costs and expenses on behalf of the Funds, on the one hand, and other existing or subsequent entities established by the General Partner, the Manager, Parallaxes, the Management Team, Parallaxes' investment professionals or any of their respective affiliates, including any Other Parallaxes Clients (i.e. any fund client other than the fund an investor is invested into), on the other hand. Parallaxes may face a conflict of interest when allocating such fees, costs, and expenses due to its affiliates' varying equity interests in the various entities. Although attempts will be made to allocate such fees, costs and expenses on an equitable basis, such allocations will be determined by the General Partner and/or Parallaxes and such matters will not necessarily be brought to the LP Advisory Committee or the limited partners for discussion or consultation.

To address the allocation of fees, costs and expenses, the Manager has adopted certain processes and procedures intended to allocate expenses in the manner prescribed by the governing documents of the Parallaxes funds and Parallaxes' internal policies, including procedures to identify and correct misallocations due to error or revised allocation methodologies. However, there is no guaranty that such processes and procedures will identify any or all misallocations. To the extent misallocations are identified and the Fund had already paid such expenses, any reimbursements of incorrectly applied expenses will necessarily be applied at a later date and therefore the Fund could bear incorrect allocations for an unspecified period of time. Reimbursement to the Fund of any misallocated expenses will generally not include any interest on the principal amount of any misallocations. Although attempts will be made to allocate expenses on an equitable basis, such allocations will ultimately be based on the determinations of the General Partner and/or the Manager. In some instances, such determinations will be subjective and reasonable minds will disagree.

Holding Period Requirements for Long-Term Capital Gain. Non-corporate U.S. persons (including the owners of the General Partner) are subject to U.S. federal income tax on long-term capital gain at rates that are substantially lower than the rates applicable to ordinary income or short-term capital gain. In general, gain from the disposition of an investment of the Fund held for more than one year will be treated as long-term capital gain. Under the Tax Act, however, gain in respect of the General Partner's carried interest will be treated as short-term capital gain unless the Fund's holding period in the relevant investment is more than three years. The Tax Act, however, does not modify the treatment of allocations of qualified dividend income in respect of the General Partner's carried

interest and therefore these allocations will continue to qualify for the preferential tax rate for non-corporate persons. As a consequence, conflicts of interest will arise between the interests of the General Partner and the interests of the Limited Partners in connection with the General Partner's investment-related determinations. Such determinations include, but are not limited to, decisions with respect to the discovery, development, negotiation, evaluation, acquisition, structuring, restructuring, holding, carrying, monitoring, management, disposition or monetization of the Fund's investments. Prospective investors should consider these potential conflicts in making their investment decisions and expect that the General Partner's determinations will be influenced, in part, by the tax treatment of capital gain in respect of the General Partner's carried interest.

The General Partner, to which the Fund will make carried interest allocations, is an entity that is treated as a partnership for U.S. federal income tax purposes in which the Fund's portfolio managers hold equity interests. The character of the income allocated to the General Partner as carried interest will generally flow through to the portfolio managers. However, while gain from the sale of a capital asset is generally treated as long-term capital gain if the asset has been held for more than one year at the time of disposition, gain that is allocated as carried interest will generally be treated as long-term capital gain only if the relevant asset has been held for more than three years at the time of the disposition. Long-term capital gain recognized by an individual is subject to U.S. federal income tax at rates that are substantially lower than the rates applicable to ordinary income and short-term capital gain. As a result, the portfolio managers may have an incentive to cause the Fund to hold an investment for more than three years, even if a favorable disposition opportunity arises prior to that time, or to make other decisions intended to mitigate the consequences of the new carried interest rule.

Tax Audits. Under the rules applicable to audits of partnership tax returns, a partnership is required to designate a "partnership representative" and, if the partnership representative is an entity, to appoint an individual to act on behalf of the partnership representative. The partnership representative (and, if applicable, such individual) will have the authority to make all decisions with respect to any tax audit of, or other tax-related administrative or judicial proceeding with respect to, the Partnership. Actions taken, and decisions made, by the partnership representative will be binding on the Fund and the Limited Partners. The General Partner will designate the partnership representative (which may be the General Partner itself) for the Fund and, if applicable, the individual to act on behalf of the partnership representative.

It is possible that the person acting as partnership representative for the Fund, the individual appointed to act on behalf of such partnership representative or one or more of their respective affiliates will have an economic interest in the Fund and therefore will have an interest in the outcome of any tax audit of, or other tax-related proceeding with respect to, the Fund. A particular action or decision in the context of a tax audit or other tax-related proceeding may favorably affect the partnership representative, such individual or one or more of their respective affiliates, while adversely affecting all or certain other investors in the Partnership.

Cross Trades. From time to time the Funds could acquire an interest in a TRA from one or more Other Parallaxes Clients or one or more of the Other Parallaxes Clients or co-investment vehicles could acquire an interest in a TRA from the Fund. In some instances, the acquisition of such interest could be made through a third-party; however, in other instances, the acquisition could be made directly from the selling fund through a cross-trade. Parallaxes will attempt to value any such cross trades between the Fund and an Other Parallaxes Fund in a fair and equitable manner consistent with its valuation methodologies and may, although will not be required to, seek the services of a third-party valuation agency to determine the appropriate valuations for any such transactions. To

the extent the General Partner determines, in its good faith judgment, that any cross trade presents a material conflict of interest and has not been previously consented to in advance by the limited partners, it must present such cross trade to the LP Advisory Committee (or, in the General Partner's discretion, the limited partners) for review or approval, although it should be understood that a material conflict of interest will not be deemed to exist solely because the Fund engages in a cross trade.

Turnover. The Fund's activities can involve investment on the basis of various short-term market considerations. The turnover rate of the Fund may be significant, involving substantial brokerage commissions and fees.

Lack of Management Control by Limited Partners. Under the Partnership Agreement, the Limited Partners do not have the right to participate in the management, control or operation of the Funds or to remove the General Partner or Investment Manager except under extreme circumstances. The General Partner, on the other hand, may dissolve the Fund upon notice of dissolution to the limited Partners at any time or by its withdrawal as General Partner.

Profit Participation. The General Partner will receive Carried Interest from unrealized appreciation as well as realized gains in each Limited Partner's Capital Account. The entitlement of the General Partner to Carried Interest could create an incentive for the General Partner to choose investments that are riskier or more speculative than would otherwise be the case.

Dependence on Key Personnel. Investment decisions for the Funds are made by the Investment Manager. The success of the Funds depends on the ability of the Investment Manager's personnel to identify suitable investments and dispose of such investments at a profit. There can be no assurance that all of the personnel of the Investment Manager will continue to be associated with the Investment Manager for any length of time. The Funds will be highly dependent on the expertise and abilities of the personnel of the Investment Manager, and, therefore, the death, incapacity or termination of any principals of the Investment Manager could have an adverse effect on the Fund's ability to realize its investment objective.

Cyber Security, Other Breaches, and Identity Theft

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Cybersecurity risks for investment funds have increased significantly in recent years because of, among other things: the proliferation of Internet and telecommunications technologies to conduct financial transactions; the ability and degree to which investment managers collect and maintain proprietary and other nonpublic data, as well as publicly available data that may be organized in a manner that is not publicly available; and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state actors. Accordingly, the Funds, the General Partner, the Manager and the Fund's TRA counterparties will face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding the limited partners and the Fund's investment activities, or to render data or systems unusable, which could result in significant losses. If such events materialize, they could lead to losses of sensitive information or capabilities essential to the Fund's, the General Partner's, the Manager's and the Fund's TRA counterparties' operations, and could have a material adverse effect on their reputations, financial positions, results of operations or cash flows, and could lead to financial losses from remedial actions, loss of business, potential liability, or the disclosure of the limited partners' personal information. The Manager may have to make a significant investment to

fix or replace any inoperable or compromised systems. Similarly, the public perception that the Fund, the General Partner, the Manager or the Fund's TRA counterparties have been the target of a cybersecurity threat, whether successful or not, could have a material adverse effect on their reputations and could lead to financial losses from loss of business, depending on the nature and severity of the threat.

Cybersecurity attacks are evolving and include, but are not limited to, computer viruses, malicious or destructive code, phishing attacks, denial of service or information, attempts to gain unauthorized access to data, improper access by employees or vendors or other electronic security breaches that could lead to: disruptions in network access or business operations; unauthorized collection, monitoring, use or release of confidential or otherwise protected information; or loss, destruction or corruption of data. Although the Manager has implemented, and service providers may implement, various measures to manage risks relating to these types of events, such systems could be inadequate and, if compromised, could become inoperable for extended periods of time, or cease to function properly or fail to adequately secure private information or sensitive data, including personal information relating to limited partners (and the beneficial owners of limited partners) and the intellectual property and trade secrets of the Manager.. The Fund's, the General Partner's, the Manager's or a TRA counterparty's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems could arise in the Fund's, the General Partner's, the Manager's or a TRA counterparty's internally developed systems and the systems of third-party service providers, upon which the Fund, the General Partner, the Manager or a TRA counterparty rely. Given the variety and potential severity of cybersecurity threats, the Fund, the General Partner, the Manager, the TRA counterparties and the third-party service providers upon which they rely may not have adequate insurance coverage to compensate against all losses.

Fund Risks

Limited Right of Withdrawal. A Limited Partner is restricted in its right to make full or partial withdrawals from the Fund pursuant to the terms of the Partnership Agreement.

Involuntary Liquidation of a Limited Partner's Interest. Unless otherwise stated in each Fund's governing documents, the General Partner may, in its sole discretion and at any time, terminate the interest of any Limited Partner in the Fund upon five days' prior written notice to any Limited Partner.

Lack of Transferability of Fund Interests. The Interests offered have not been registered under the Securities Act or state securities laws and are subject to restrictions on transfer contained in such laws and the Partnership Agreement. A purchaser of an Interest must represent that such purchaser is acquiring the Interest for investment and not with a view to resale or distribution. The Interests are not transferable except by will or operation of law without the consent of the General Partner in its sole discretion. There will not be any market for the Interests.

Market for TRA Opportunities. The business of identifying and structuring investments in TRAs is an emerging one and involves a high degree of uncertainty. TRAs may only be employed in a limited set of circumstances – typically, upon the sale of a private company by a private equity firm via initial public offering, where certain underlying factors make it financially feasible. The vast majority of initial public offerings are held without the entrance into a related TRA. As a result, the overall number of TRAs that exist as potential investment opportunities for the Funds will be limited. Parallaxes believes that, historically, the market in TRAs and other tax assets has been

underdeveloped. However, there is no assurance that the market for TRAs will grow or develop or that potential investment opportunities in TRAs will materialize.

The Funds may be competing for investments in TRAs with other investment funds, as well as individuals, financial institutions and other institutional investors. These and other investors may make competing offers for investment opportunities identified by the General Partner which may affect the Fund's ability to participate in attractive investment opportunities. Even where the Fund is successful in reaching an agreement with respect to an investment opportunity, completing the transaction may be subject to conditions and uncertainties, only some of which are foreseeable or within the control of the General Partner. In addition, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. There can be no assurance that the Fund will be able to locate, complete and exit investments that satisfy the Fund's rate of return objectives, or realize upon their values, or that the Fund will be able to invest fully its committed capital.

Sourcing TRAs. Parallaxes expects to utilize a sourcing strategy involving research into potential TRA counterparties. In conducting such research, Parallaxes intends to seek out ways to present itself as a valuable service provider, offering fund managers a comprehensive solution to maximizing value in their fund portfolios. In addition, Parallaxes may also seek to perform consulting services for fund sponsors that may lead to potential investment opportunities for the Fund.

There is no guarantee that Parallaxes will be able to establish itself as a valuable service provider or that any counterparties, including fund sponsors and managers, will find the value proposition of TRAs to be compelling. In the foregoing circumstances, Parallaxes may be exposed to fewer investment opportunities than it anticipates. It is possible that working with fund managers will not generate any investments or leads on new investments for Parallaxes or the Fund.

Private Equity Professionals' Incentive to Act as TRA Sellers. Parallaxes believes that many private equity deal professionals may be motivated to sell TRAs to focus time and attention on other transactions. However, it is possible that, in the future, private equity deal professionals will become more involved and/or develop a deeper understanding of tax and other factors related to the management of TRAs, as a result of the growing TRA market or otherwise and will seek to manage TRAs themselves or through other means. Any increase in TRAs managed by private equity firms could lead to further scarcity in the TRA market or greater competition among buyers of TRAs.

Underwriting and Diligence. Through Parallaxes' underwriting and diligence of underlying companies and industries, its work in identifying appropriate sources of debt financing and its efforts to thoroughly understand TRA terms, Parallaxes believes the Funds will be well positioned to capitalize on the opportunities presented in the emerging TRA market. However, it may be more difficult to underwrite and perform diligence related to TRA terms than with respect to the terms of other investment instruments due to the emerging nature of the TRA market as compared to more traditional asset classes.

No Independent Representation for Limited Partners. Legal Counsel for the General Partner and the Investment Manager does not and will not serve as Counsel for the Fund or represent the interests of the Limited Partners or the Fund in connection with the business of the Fund or any offering of Interests, and such Counsel disclaims any fiduciary or attorney/client relationship with the Limited Partners of the Fund. Neither the Fund nor potential investors in the Fund as a group nor the Limited

Partners as a group have been represented by separate Counsel. The attorneys, accountants, and other experts who perform services for the General Partner or Investment Manager on behalf of the Fund all perform services for the General Partner and/or the Investment Manager and do not represent or perform services for the Limited Partners. Prospective Limited Partners should obtain the advice of their own Counsel regarding legal matters.

Broad Indemnification of General Partner. The Partnership Agreement contains provisions that may provide a broader indemnification of the General Partner and its members, directors, officers and employees against claims or lawsuits arising out of the Funds' activities than would apply in the absence of such provisions. If the Fund were called upon to perform under its indemnification obligations, then the portion of its assets expended in such fashion would reduce the amounts otherwise available for Fund operations or for allocation to the Capital Accounts of the Partners. The Fund has not purchased, and does not presently intend to purchase, any insurance relating to its indemnity obligations or potential liability of the General Partner or the Investment Manager to the Fund.

Liability of Limited Partners. Limited Partners are ordinarily personally liable for the obligations of a limited partnership only to the extent of their capital contributions and share of undistributed profits of the Fund. If a distribution to a Limited Partner by the Fund renders the Fund insolvent, the Limited Partner may be obligated to return the distribution.

Defaulting Partners and Exclusion from Investments. Upon the failure of a limited partner to fund required capital contributions, the limited partner will be in default. The amount of such default will accrue interest. In addition, the General Partner may exercise a number of remedies including (i) causing the defaulting limited partner to forfeit all or any portion of future distributions made by the Fund, (ii) causing the defaulting limited partner to be excluded from participating in future investments or (iii) causing a forced sale of the defaulting limited partner's interest. Unless the General Partner elects to terminate a defaulting limited partner's unused commitment, the defaulting limited partner will continue to remain obligated to make capital contributions to the Fund up to the full amount of its unused commitment.

A limited partner's participation in investments may be limited by virtue of the General Partner's right to exclude a limited partner from participating in any investment if the General Partner determines in its discretion that such participation might have certain materially adverse effects on the Fund or the General Partner, including if such participation would be likely to result in (i) a violation of law or the imposition of materially burdensome regulatory or other legal requirements or (ii) a material increase in the burden of compliance by the Fund or the General Partner with applicable regulatory or other legal requirements or as a result of certain circumstances relating to the limited partner. A limited partner will also have the right to be excused from participating in an investment under certain circumstances.

The General Partner will have the right in its discretion to cover shortfalls arising from the default of a limited partner or the exclusion or excuse of a limited partner in any manner the General Partner deems appropriate under the circumstances. The General Partner may, for example, (i) require an increase in the capital contributions of all other limited partners, (ii) obtain the agreement of a limited partner or a third party to cover the shortfall or (iii) with the prior approval of the LP Advisory Committee or a majority in interest of the limited partners, cover the shortfall itself. If the General Partner elects to have the other limited partners cover the shortfall, such limited partners will have an increased share in such investments in proportion to their respective capital commitments, and the risks associated with such investments will be exacerbated for such limited partners.

Private Offering Exemption. The Fund intends to offer Interests on a continuing basis without registration under any securities laws in reliance on an exemption for “transactions by an issuer not involving any public offering.” While the General Partner believes reliance on such exemptions is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other partnerships, the scope of disclosure provided, failures to make notices, filings, or changes in applicable laws, regulations, or interpretations will not cause the Fund to fail to qualify for such exemptions under Federal or one or more states’ laws. Failure to qualify could result in the rescission of sales of Interests at prices higher than the current value of those Interests, potentially materially and adversely affecting the Fund’s performance and business. Further, even non-meritorious claims that offers and sales of Interests were not made in compliance with applicable securities laws could cause the Fund to incur significant legal costs and could otherwise materially and adversely affect the Investment Manager’s ability to conduct the Fund’s business.

Side Letters and Other Agreements with Investors. The Funds or the General Partner may enter into “side letter” agreements with certain Limited Partners which typically provide access to frequent and/or more detailed information regarding the Fund’s securities positions, performance and finances and may address regulatory or other matters of particular significance to certain types of investors. As a result, certain Limited Partners may be better able to assess the prospects and performance of the Fund than other Limited Partners. Such side letter agreements may modify the Management Fee or Performance Allocation for certain Limited Partners. The Funds do not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the Limited Partners that have entered into such agreements with the Funds or the General Partner.

Operational Risk. Each Fund depends on the General Partner and the Investment Manager to develop the appropriate systems and procedures to control operational risk. Operational risks include the possibility of mistakes being made in the confirmation or settlement of transactions, transactions not being properly booked, evaluated or accounted for, or other similar disruptions in the Fund’s operations. These mistakes may arise, for example, due to keystroke errors that occur when entering trades into an electronic trading system, failures of oral communication between the investment staff and trading staff, or typographical or drafting errors related to derivatives contracts or confirmations or similar documents. These events may cause the Fund to suffer financial loss, disruption of business, liability to clients or third parties, regulatory intervention or reputational damage. Each Fund relies heavily on its financial, accounting and other data processing systems. The ability of the Fund’s systems to accommodate an increasing volume of transactions could also constrain the General Partner’s or the Investment Manager’s ability to properly manage the portfolio.

Other Regulatory Matters. The Funds, the General Partner and the Investment Manager will be subject to various other securities and similar laws and regulations that could limit some aspects of the Fund’s operations or subject the Fund, the General Partner or the Investment Manager to the risk of sanctions for noncompliance. Investors that are employee benefit plans should consider certain factors discussed below under the heading “Certain Considerations for ERISA Plans.”

Control Position. If a Fund were to obtain a control position or other substantial position in any public company, it may be required to make filings concerning its holdings with the SEC and it may become subject to other regulatory restrictions that could limit the ability of a Fund to dispose of its holdings at the times and in the manner the Fund would prefer. Violations of these regulatory requirements could subject the Fund to significant liabilities. Additionally, if the Fund were to obtain a control

position in any company (through equity and/or extensions of credit), this could expose the Fund to liabilities not normally associated with minority equity investments, such as additional risks for environmental damage, product defects, violation of governmental regulations and other types of liability in which the limited liability characteristic of business operations may be ignored.

Tax Risks. EACH PROSPECTIVE INVESTOR MUST CONSULT HIS OWN TAX ADVISOR REGARDING THE POTENTIAL TAX TREATMENT OF THE FUND AND OF ANY INTEREST HE INTENDS TO ACQUIRE IN THE FUND.

A Partner must report his share of Fund income, if any, and will be subject to tax on his respective share of Fund income, if any, whether or not such Partner receives any cash distribution from the Fund. Accordingly, taxes payable by the Partners with respect to Fund taxable income for any year may exceed Fund distributions if any, during that year.

In reporting to federal, state and local taxing authorities, the Fund will be required to make certain determinations as to the character and timing of income and loss of the Fund for tax purposes. There can be no assurance that the Fund's determination will be accepted by federal, state or local taxing authorities or courts; contrary determinations could have a materially adverse effect on the Fund and the Partners.

The Fund does not presently intend to request any ruling from the Internal Revenue Service or any opinion from counsel as to any federal, state, or local income tax consequences relating to the structure and operation of the Fund. There can be no assurance that any tax position taken by the Fund will not be challenged by the Service or other taxing authorities.

The Fund may borrow for investment purposes. Any such borrowing may cause the Fund to have "debt financed property" which may result in UBTI to certain Partners that are exempt from U.S. federal income tax. In addition, certain U.S. institutions of higher education may be subject to an excise tax on any investment income they earn in respect of their investment in the Fund. Accordingly, an investment in the Fund may not be appropriate for tax-exempt organizations.

Changes to Corporate Tax Code. The Tax Cuts and Jobs Act (the "Tax Act"), enacted in December 2017, significantly revised U.S. federal corporate income tax law by, among other things, reducing the U.S. federal corporate income tax rate to 21%, limiting the tax deduction for interest expense to 30% of adjusted earnings, allowing immediate expensing for certain new investments, and, effective for net operating losses arising in taxable years beginning after December 31, 2017, eliminating net operating loss carrybacks, permitting indefinite net operating loss carryforwards, and limiting the use of net operating loss carryforwards to 80% of current year taxable income.

As part of Congress' response to the COVID-19 pandemic, the Families First Coronavirus Response Act, or FFCR Act, was enacted on March 18, 2020, and the CARES Act was enacted on March 27, 2020. Both contain numerous tax provisions. In particular, the CARES Act retroactively and temporarily (for taxable years beginning before January 1, 2021) suspends application of the 80%-of-income limitation on the use of net operating loss carryforwards which was enacted as part of the Tax Act. It also provides that net operating losses arising in any taxable year beginning after December 31, 2017, and before January 1, 2021, are generally eligible to be carried back up to five years. The CARES Act also temporarily (for taxable years beginning in 2019 or 2020) relaxes the limitation of the tax deductibility for net interest expense. Regulatory guidance under the Tax Act, the FFCR Act and the CARES Act is and continues to be forthcoming and it is possible that Congress

will enact additional legislation in connection with the COVID- 19 pandemic, which could have an impact on the Fund's investments.

There are a number of uncertainties and ambiguities as to the interpretation and application of many of the provisions in the Tax Act, the FFCR Act and the CARES Act. Because the value of the TRAs held by the Fund generally depend on the earnings and tax savings of the TRA counterparties, it is possible that subsequent administrative guidance interpreting the Tax Act, the FFCR Act or the CARES Act to address these uncertainties and ambiguities, or subsequent tax legislation, could have an adverse effect on the Fund's investments.

Taxation of TRAs. As discussed above, the Fund will invest primarily in TRAs. There is no authority directly governing the U.S. federal income tax treatment of payments received by the Fund under a TRA. It is possible that such payments are generally treated as proceeds from the sale of a capital asset (resulting in capital gain or loss to the extent in excess of (or less than) the Fund's tax basis in the TRA), with a portion of each such payment treated as imputed interest income (taxable as ordinary income). It is also possible that all of the payments received under a TRA held by the Fund are treated as ordinary income. In addition, it is possible that the Fund will not be entitled to recover its tax basis in a TRA until the TRA is terminated or sold, or the Fund is liquidated, at which time the Fund could recognize substantial capital losses, the deductibility of which are subject to significant limitations. The General Partner will determine the appropriate treatment of the payments received by the Fund in respect of TRAs, including the amount and character of the Fund's income and loss, in each taxable year, but there can be no assurance that the Internal Revenue Service (the "IRS") will agree with the General Partner's determinations. Prospective investors should consult their own professional tax advisors regarding these uncertainties and the related tax consequences of an investment in the Fund.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of the adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Adviser's Principals or affiliates may from time to time become members of and make capital contributions to the Fund(s). In the view of the Principals, this aligns the interests of the Principals and its affiliates with the Fund(s) and its investors and does not result in any conflicts of interest between the Adviser and the Fund(s). Additionally, the Principals are also bound by the Adviser's Code of Ethics as discussed in Item 11 below.

In addition to the Adviser's Clients, Certain Principals of the Adviser may engage in other investment advisory services outside of the Adviser. In these unrelated roles, the Principals may, from time to time, advise the unrelated clients to participate in the same investment(s) as that of the Adviser's Clients. When such recommendations for unrelated clients to invest in the same investments as the Adviser's Clients are made or considered, certain conflicts of interest may exist including divided fiduciary duties and an incentive for the Principals to recommend such investments to unrelated clients instead of the Adviser's Clients. To address these potential conflicts of interest, the Adviser has implemented a Code of Ethics as described in Item 11 which includes, among other things, a requirement that the Principals disclose to the Adviser's CCO any interest of unrelated clients to participate in the same securities or investments as that of the Adviser's Clients.

Members, principals, officers and employees of the Adviser and its affiliates, including the General Partner, hold positions on the boards of directors of certain private and/or public companies for compensation, including companies in which the Fund invests or may invest in the future. Such compensation may include cash, restricted stock and/or options of such company. Any compensation received in connection with such board positions is retained by the individual and/or assigned to the General Partner or the Adviser and will not be credited to the Fund or the Limited Partners. In addition, in their capacity as officers or directors of companies, such individuals may become subject to fiduciary or other duties which can adversely affect the Fund. For example, the Fund may be unable to sell or otherwise dispose of portfolio securities if a director of the portfolio company is an employee of the Adviser or General Partner and is in possession of material, non-public (i.e., "inside") information relating to the issuer. Nevertheless, the Fund's Partnership Agreement will not preclude members of the Adviser from serving as officers or directors of portfolio companies or otherwise acquiring material, non-public information regarding portfolio companies. In general, if there is a conflict between the fiduciary duties of the Adviser or a member thereof to a portfolio company and such person's fiduciary duties to the Fund or the Limited Partners, such person's fiduciary duties to the portfolio company will prevail.

- D. The Adviser does not recommend or select other investment advisers for its Clients.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. The Adviser has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser prohibits personal trading on certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

The Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non- public information, and, therefore, may not trade on the basis of that information.

The Adviser will provide a copy of the Code to any investor or prospective investor upon request.

- B. The Adviser's Principals are members of the Fund(s). Therefore, the Adviser may be deemed to recommend to Clients or buy or sell for Clients, investments in which the Adviser has a material financial interest.
- C. The Principals may make capital contributions to the Fund(s). Such amounts may be invested pro rata with the members of the Fund(s) in all Fund portfolio investments. In the view of the Principals, this aligns the interests of the Principals with the Fund(s) and its investors. From time to time, the GP may find it necessary to make non-material capital withdrawals from the Funds for various reasons. To mitigate any potential conflict of interest, the Adviser's Code of Ethics requires, among other things, that the Adviser disclose such withdrawals to Limited Partners when such withdrawals may be deemed material and requires employees to disclose to the CCO any activities that may create an actual or potential conflict of interest.
- D. Subject to the requirements of the Code, the Adviser may recommend investments to Clients, or make investments for Clients, at or about the same time that the Adviser or its related persons buys or sells the same investments for their own account.

Item 12 - Brokerage Practices

- A. The Adviser has complete discretion to determine, subject to each Client's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries use in effecting the transactions for Clients, and the commission rates to be paid for such transactions.

Brokerage. The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of its Clients. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause a Client to enter into arrangements pursuant to which the Client pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by a Client may be cleared through, and the Client's investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. Subject to the Adviser's agreement with each Client, the Adviser generally will use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. The Adviser does not consider the receipt of Client referrals when selecting broker-dealers to execute transactions.

The Adviser does not permit clients to direct brokerage to a specified broker-dealer. All brokerage transactions will be executed through the broker-dealers selected by the Adviser.

Soft Dollars. The Adviser does not currently intend to obtain third party research or brokerage-related services through "soft dollar" or other commission sharing arrangements. However, should the Adviser choose to do so, any such practices are expected to comply with the "safe harbor" established by Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

- B. In general (and when applicable), the Adviser attempts to aggregate multiple orders for the purchase or sale of the same instrument into block transactions, subject to the overall obligation to achieve best price and execution for its Clients.

Item 13 - Review of Accounts

- A. The Principals of the Adviser are responsible for reviewing Client investment portfolios on a periodic basis. The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser maintains review procedures for the ongoing monitoring of the portfolio investments of its Clients.
- B. See Item 13.A. above.
- C. The Adviser provides Fund investors with audited annual financial statements, periodic reports and other communications, and all tax information relating to their investments in the Fund necessary for U.S. federal income tax purposes.

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Fund.
- B. The Adviser may enter into agreements with persons who refer potential investors for the Fund to the Adviser. For their referral services, these persons may receive compensation from the Adviser in the form of a percentage of the Management Fee and/or Carried Interest that the Adviser and its affiliates receive from the Fund with respect to the referred investors. All solicitation arrangements that the Adviser may enter into will be designed to be in compliance with Rule 206(4)-3 under the Advisers Act and any similar state regulations. The Fund and its underlying investors are not responsible for any of the fees paid to the referring persons.

Item 15 - Custody

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Funds by virtue of the common control of the Adviser and the General Partners of the Funds. All assets and securities of the Funds are held by qualified custodians, other than certain assets that qualify as “privately offered securities” under the Custody Rule. As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

Item 16 - Investment Discretion

The Adviser exercises discretion in managing the investments of the Funds based on the Funds' investment objectives, policies, and strategies disclosed in its Offering Documents.

The Adviser contractually assumes discretionary authority over the assets of the Funds under an investment management agreement entered into among the Adviser and the Fund.

Item 17 - Voting Client Securities

As a result of the Adviser's investment strategy, the Adviser does not generally hold Clients' investments in public equity securities and therefore does not generally receive proxies on behalf of its Clients.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Client and copies of proxy voting policies are available to any client or prospective client upon written request to: Harrison Hsueh, the Adviser's Chief Compliance Officer at harrison@plxcap.com.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of more than \$1,200, six months or more in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Fund.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.