



Ibex Investors LLC

260 North Josephine Street, Suite 300, Denver, CO 80206
www.ibexinvestors.com
(303) 500-8821

Firm Brochure

(Form ADV, Part 2A)

March 31, 2021

Item 1. Cover Page

This brochure (“Brochure”) provides information about the qualifications and business practices of Ibex Investors LLC (“Ibex”, “we”, or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer at (303) 500-8821 or by email at compliance@ibexinvestors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Registration as an investment adviser does not imply that Ibex or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.



Item 2. Material Changes

This Brochure was prepared for the Firm's annual updating amendment for its fiscal year ending December 31, 2020.

No material changes have occurred with respect to the Firm's investment advisory activities since the Firm's previously filed Brochure dated March 30, 2020.



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This Brochure may be provided to current or prospective investors (the “Investors”) in the Ibex Funds (as defined below) managed by Ibex, together with the Ibex Fund’s Governing Documents (as defined below) as well as other clients, prior to or in connection with such person’s consideration or consummation of an investment in an Ibex Fund or managed account. This Brochure may also subsequently be provided in Ibex’s discretion, annually, or at the request of an Investor or client. Investors and other recipients should be aware that while the Brochure includes information about the Ibex Funds and strategies, it is not a complete description of the terms, risks or conflicts associated with an investment in any Ibex Fund. More complete information about each Ibex Fund and strategy is included in such Ibex Fund’s Governing Documents, which may be provided to current and eligible prospective Investors only by Ibex or another authorized party.

In no event should this Brochure be considered to be an offer of interests in an Ibex Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this Brochure is designed to provide information about Ibex for the purpose of compliance with certain obligations under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in each Ibex Fund’s Governing Documents.

The descriptions set forth in this Brochure of specific advisory services that Ibex offers to its clients, and investment strategies pursued and investments made by Ibex on behalf of its clients, should not be understood to limit in any way Ibex’s investment activities. Ibex may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Ibex considers appropriate, subject to each client’s investment policies, objectives and guidelines. The investment strategies Ibex pursues are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.



Item 4. Advisory Business

Ibex Investors LLC (“Ibex”, “we” or the “Firm”) is a Colorado limited liability company, founded in February 2003. Ibex provides investment management services primarily to privately offered limited partnerships and corporate investment vehicles (collectively, the “Ibex Funds” or individually, an “Ibex Fund”) and, to a limited extent and upon request, to separately managed accounts and through sub-advisory relationships (along with the Ibex Funds, referred to herein collectively as the “clients” or individually, as a “client”).

The Firm provides investment advice to its clients with respect to their portfolio investments. The Ibex Funds are managed in accordance with the investment objectives, guidelines and restrictions set forth in each Ibex Fund’s respective offering memorandum, partnership agreement, memorandum and articles of association, or similar agreement, subscription agreement and related governing documents (collectively, for each Ibex Fund, the “Governing Documents”). As of the date of this Brochure, the Firm’s primary investment strategies, which are described more fully in Item 8 below, are the following: (i) Israel Hybrid Strategy, (ii) Israel Venture Capital Strategy, (iii) Mobility Revolution Strategy; (iv) Select Strategy, and (v) Microcap Strategy. With respect to these primary investment strategies, the Firm may execute such strategies through Ibex Funds organized as hedge funds, private equity funds, venture capital funds or other forms of private investment funds. Additionally a strategy may be executed through separately managed accounts or sub-advisory relationships.

Ibex provides investment advice to the Ibex Funds on a discretionary basis based on each Ibex Funds’ specific investment objective and strategy and does not tailor investment advice to the individual needs of any Investor nor may any Investor impose restrictions on investing in certain securities or types of securities. Ibex provides services to each Ibex Fund in accordance with the Governing Documents of such Ibex Fund and, where applicable, a management agreement by and among Ibex, an affiliated general partner of such Ibex Fund, and the Ibex Fund. Such management agreements may be terminated by Ibex or the applicable Ibex Fund with notice to the other party. The Firm considers the Ibex Funds, and not the Investors in those Ibex Funds, its clients. Certain Ibex Funds were formed as co-investment vehicles to allow Investors to invest alongside an existing Ibex Fund or the Firm in a specific portfolio company. The Firm also has the right to form one or more parallel investment funds for certain types of Investors who seek to invest in an existing Ibex Fund. There is no guarantee that Investors in a given Ibex Fund (including any parallel funds) will share in the same investment opportunities available to Investors in other Ibex Funds.

The Ibex Funds based in the U.S. are offered on a private placement basis and only to persons who qualify as “accredited investors” under the Securities Act of 1933, as amended (the “Securities Act”), “qualified clients” under the Advisers Act, and with respect to certain Ibex Funds, “qualified purchasers” under the Investment Company Act of 1940, as amended (the “Investment Company Act”). The Ibex Funds based outside of the U.S. are offered on a private placement basis and only to (i) Non-US Persons (as such term is defined in the Securities Act) and (ii) U.S. investors who are “qualified purchasers” and exempt from federal income taxation.

Ibex does not participate in wrap-fee programs.

See Item 7 below for information about the Firm’s authority to enter into “side letters” with certain Investors. Such Investors may receive terms that differ from the terms applicable to other Investors in a given Ibex Fund.



The Firm may also offer separately-managed accounts to high-net-worth individuals and institutional clients (“separate accounts”) and may serve as sub-adviser to private investment funds or corporate investment vehicles sponsored by non-affiliated investment managers (“sub-advised funds”). A separate account or sub-advised fund may choose a strategy similar to that of an Ibex Fund or a customized strategy as agreed upon by the Firm and the client that is based on one of the Ibex Funds’ strategies. The Firm works with each separate account or sub-advised fund client to understand its investment objectives and to establish the elements of its relationship as the client’s investment adviser. This process culminates with the negotiation and preparation of an investment management agreement that outlines the terms of the client-adviser relationship, including, but not limited to, investment strategy, investment limitations and fees.

The sole member and owner of Ibex is Ibex Investment Holdings LLC (“Holdco”). The principal owner of Holdco is JBB Holdings Inc., an entity wholly-owned by Justin B. Borus, who also serves as the Manager and Chief Investment Officer of the Firm.

As of December 31, 2020, the Firm had approximately \$803,039,359 of regulatory assets under management, all of which are managed on a discretionary basis.

Item 5. Fees and Compensation

As compensation for our advisory services, the Firm receives an investment management fee based on assets under management (the “Management Fee”) and/or a performance-based incentive allocation or carried interest, which may be paid and/or allocated to either the Firm or an affiliated entity serving as the general partner of an Ibex Fund (the “Performance Fee”). Such Management Fees and Performance Fees are charged to the Investors in the Ibex Funds. The Ibex Funds also bear each of their own operating expenses. As described generally below, and more specifically in each Ibex Fund’s Governing Documents, the fees are as follows:

The Management Fee, which ranges from 0.0% to 2.0% per annum depending on the Ibex Fund, is calculated and collected either monthly or quarterly in advance or in arrears depending on the Ibex Fund. Depending on the Ibex Fund and strategy, the Management Fee is based either on (i) the net asset value of each Investor’s capital account as of the first day (when paid in advance) or as of last day (when paid in arrears) of each month or quarter, as applicable, (ii) the capital commitment of an Investor, or (iii) the Investor’s pro rata portion of the aggregate capital deployed in an Ibex Fund. Fees are prorated for any partial period. The Management Fee is deducted from each Investor’s capital account in the applicable Ibex Fund and paid to the Firm directly from the Ibex Fund’s brokerage or custody account. Ibex has the right to waive or reduce Management Fees in its sole discretion with respect to any Investor, including employees of the Firm who do not pay any fees with respect to personal investments in an Ibex Fund. Management fees are not refunded in the event of a withdrawal during any month.

The Performance Fees typically range from 0.0% to 50.0% of the net increase, if any, in the net value of an Investor’s capital account in the applicable Ibex Fund on an annual basis for the preceding year, subject to a loss carry-forward commonly referred to as a “high-water mark.” In certain Ibex Funds, the Performance Fee is also subject to an annual performance hurdle, below which no Performance Fee is made. The Performance Fee is generally earned and allocated at year end, upon a liquidity event, and/or or upon withdrawals by an Investor. These Performance Fees are allocated to the Firm or an affiliated entity through a re-allocation from the capital accounts of Investors in the applicable Ibex



Funds to the capital account of the Firm or the affiliated entity, as applicable. The Firm, or the affiliated entity, as applicable, has the right to waive or reduce its Performance Fee with respect to any Investor in its sole discretion, including employees of the Firm who do not pay any fees on personal investments in an Ibex Fund. Investors in some of the Ibex Funds benefit from a “clawback,” calculated and due upon the Ibex Fund’s liquidation that, subject to certain limitations, requires Ibex to restore to the Investors amounts by which the Performance Fees Ibex receives over the life of the Ibex Fund exceed the stated Performance Fee percentage.

Other fees and expenses that the Ibex Funds may pay directly, or reimburse the Firm or its affiliated entity for, include, without limitation: (i) organizational expenses; (ii) all expenses incurred in connection with the ongoing offer and sale of Ibex Fund interests, including, but not limited to, the preparation and printing of Governing Documents and any supplements and exhibits thereto, marketing expenses (including travel and travel-related expenses) and documentation of performance and the admission of Investors; (iii) investment expenses related to the purchase, sale, trade, custody or transfer of Ibex Fund assets, including brokerage costs and commissions, finders’ fees, clearing and settlement charges, custodial fees, investment advisory fees, markups and markdowns, transfers, capital and other taxes, duties and costs and interest expense; (iv) expenses related to consultants, brokers and other professionals, and advisors who provide research, advice or due diligence services (including fees for research and investment reports, studies and analyses); (v) research-related costs and expenses (including fees for news, market data, data feeds, software and databases (including costs of computer terminals and other equipment used primarily for research), related maintenance or other technology fees, quotation and similar information, execution and pricing services); (vi) due diligence expenses, including travel and travel-related expenses related to investment selection, monitoring and administration (including travel to professional conferences in connection with potential investments and travel expenses related to meetings with management teams); (vii) the Ibex Fund’s proportionate share of the fees and costs assessed by other investment vehicles and/or accounts in or through which the Ibex Fund invests assets; (viii) any costs and expenses incurred by the Ibex Fund in connection with converting the Ibex Fund from its current structure or otherwise restructuring the Ibex Fund; (ix) expenses for professional services, such as accounting, asset valuation, audit and third-party administration fees, legal expenses (including, without limitation, the costs of on-going legal advice (including costs related to in-house legal counsel as such internal counsel performs services that would be paid by the Ibex Fund if outside counsel provided the same service) and services, blue sky filings and all costs and expenses related to or incurred in connection with the Firm’s compliance obligations under applicable federal and/or state securities, investment adviser and commodity pool operator laws arising out of its relationship to the Ibex Fund (including, without limitation, Form ADV and Form PF filings), as well as extraordinary legal expenses) and other professional services; (x) all expenses for preparation of the Ibex Fund’s financial statements, tax returns and filings, including Investor’ Schedule K-1s, tax preparation and any applicable tax liabilities (including transfer taxes and withholding taxes), and expenses related to maintenance of the Ibex Fund’s books and records; (xi) (A) expenses and fees incurred in connection with the registration, qualification or exemption of the Ibex Fund under any applicable laws and expenses related to the maintenance thereof; (B) all expenses incurred in connection with the preparation of, and alterations and amendments to, the partnership agreement or the certificate of limited partnership; (C) all taxes, fees or other governmental charges or fees levied against the Ibex Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Ibex Fund or its activities; (D) all principal, interest, fees, expenses and other amounts payable in respect of or in connection with borrowings, pledges or other financings by the Ibex Fund; (E) all expenses incurred in connection with the collection of amounts due to the Ibex Fund from any person; (F) all expenses incurred in connection with any litigation



involving an Ibex Fund and the amount of any judgment or settlement paid in connection therewith; (G) all liabilities for indemnity or contribution to any person whether payable under the Governing Documents or otherwise and whether payable in connection with any litigation involving the Ibex Fund or otherwise; and (H) all expenses incurred in connection with administrative proceedings relating to the determination of items at the partnership level undertaken by the partnership representative; (xii) director and officer and/or errors and omissions liability insurance premiums or fiduciary liability insurance premiums for directors, officers and personnel of the Firm or an affiliated entity; (xiii) expenses of Investor communications, including, but not limited to, preparing and distributing any statements, reports and notices to the Investor; (xiv) expenses incurred in connection with transactions not consummated and all other reasonable expenses related to the management and operation of the Ibex Fund or the purchase, sale or transmittal of Ibex Fund assets; (xv) all costs and expenses associated with preparing, negotiating and entering into contracts and arrangements in the ordinary course of the Ibex Fund's business, including services agreements with counterparties (e.g. broker-dealers and placement agents); (xvi) indemnifications, costs of litigation and other extraordinary expenses; (xvii) fees incurred in connection with the maintenance of bank or custodian accounts; and (xviii) expenses associated with the termination, dissolution and winding up of the Ibex Fund (in each case, as the general partner determines in its sole discretion). See the applicable Ibex Fund's Governing Documents for additional detail on fees and expenses. See Item 12 below for more information on certain fees charged by broker-dealers and the Firm's use of soft dollars.

The expenses listed above that are directly attributable to a specific Ibex Fund will be borne by such Ibex Fund. All other expenses listed above will be allocated amongst the Ibex Funds in the Firm's discretion using various allocation methodologies, including in proportion to their respective net asset values, based on the amount invested in a position, equally across participating Ibex Funds, or in such other manner as determined by the Firm. The Firm has the discretion to allocate such expenses using these and other methodologies that may vary from time to time. Choosing an expense allocation methodology involves conflicts of interest based on account sizes, impact on performance, the amount of investments by the Firm or its affiliates in the relative Ibex Funds and differing fee amounts. Expenses borne by one Ibex Fund may disproportionately benefit another Ibex Fund to the extent position sizes differ.

See Item 7 for additional information about the Firm's authority to enter into "side letters" with certain Investors that may result in such Investors being charged reduced fees or expenses when compared to other Investors.

The Firm may allocate a portion of an Ibex Fund's assets to unaffiliated money market funds, exchange-traded funds or similar products that bear certain fees and expenses including those payable to their investment managers and service providers. To the extent we make such allocations, the applicable account will indirectly bear these fees and expenses in addition to the other fees and expenses described herein.

The Firm may pay or advance to one or more Ibex Funds amounts necessary to pay for the Ibex Fund's organizational expenses and expenses incurred in connection with the initial offering and sale of the interests and other similar expenses related to an Ibex Fund. The Firm is entitled to reimbursement from the applicable Ibex Funds for all such amounts.



All fees and expenses are accrued or paid when incurred and therefore there are no substantial prepaid expenses. Neither the Firm nor its employees receive any compensation for the purchase or sale of any securities which could create a conflict of interest with the investors of the Ibex Funds.

As compensation for the Firm's advisory services, each separate account or sub-advised fund client may pay an investment management fee based on assets under management, a performance-based incentive fee, or both. Performance fees are established in compliance with Rule 205-3 under the Advisers Act. See Item 6 below for a further discussion of such fees. Management fees and performance fees for separate accounts and sub-advised funds are negotiable and may be subject to a performance hurdle and/or high-water mark treatment. In addition to the management fee and performance fee, separate accounts and sub-advised funds bear trading costs and custodial fees associated with their accounts. These expenses may include ticket charges, commissions, execution and clearing fees and costs, financing costs on the use of capital and any and all other similar transaction-related expenses. See Item 12 for a discussion of the Firm's brokerage practices.

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

As discussed in Item 5, the Firm or an affiliated entity is entitled to receive performance-based fees, allocations, or carried interest (collectively, the "Performance Fees") from the Ibex Funds, separate account clients and sub-advised funds. Conflicts of interest may arise from the payment of the Performance Fees. The existence of Performance Fees may motivate the Firm to make investments that are riskier or more speculative than it would if it was not eligible to receive the Performance Fees. See Item 10 for additional information about the conflict of interest that this compensation structure creates for the Firm's investment personnel. This conflict is heightened when the Performance Fee is payable or allocable only upon exceeding a high-water mark or performance hurdle and the value of an Investor's investment in an Ibex Fund, separate account or sub-advised fund is below such high-water mark or performance hurdle. Furthermore, because the Performance Fee is calculated differently for different Ibex Funds, separate accounts or sub-advised funds and each Ibex Fund, separate account and sub-advised fund has different returns, the Firm may be incentivized to place its best investments into those Ibex Funds, separate accounts or sub-advised funds where the largest Performance Fee may be taken. The allocation of expenses also may result in similar conflicts.

The Firm has implemented procedures intended to address conflicts relating to the management of multiple Ibex Funds, separate accounts and sub-advised funds, including Ibex Funds, separate accounts and sub-advised funds with differing fee arrangements, and the allocation of investment opportunities. The investment professionals review investment decisions for the purpose of ensuring that all Ibex Funds, separate accounts and sub-advised funds with substantially similar investment objectives are treated equitably. Additionally, the performance of the Ibex Funds, separate accounts and sub-advised funds are reviewed and compared by the investment professionals to determine whether there are any unexplained significant discrepancies. Finally, the Firm's procedure relating to the allocation of investment opportunities require that similarly managed Ibex Funds, separate accounts and sub-advised funds participate in investment opportunities in a fair and equitable manner. For a description of how the Firm allocates investments amongst the Ibex Funds, separate accounts and sub-advised funds, see Item 12.



Item 7. Type of Clients

The client accounts of the Firm as of December 31, 2020 were the Ibex Funds. The Firm may in the future provide the same or similar services to other privately placed investment funds, separately managed accounts or sub-advisory relationships. Separately-managed accounts are offered on a limited basis to high-net-worth individuals and institutions, upon request, and the minimum account size for a separately-managed account is negotiable. Similarly, sub-advisory services are offered to institutional investors, upon request, and the minimum account size is negotiable.

Investors in the Ibex Funds include high net-worth individuals, family offices and institutional investors. In order to be eligible to invest in a U.S.-based Ibex Fund, an Investor must be (1) an “accredited investor” within the meaning of Regulation D under the Securities Act, and (2) a “qualified client” within the meaning of the Advisers Act or a “qualified purchaser” within the meaning of the Investment Company Act. In order to invest in an Ibex Fund based outside of the U.S., an Investor must be (1) a Non-U.S. Person (as defined in the Securities Act) or (2) a U.S. investor that is a “qualified purchaser” and exempt from federal income taxation. Each Investor is required to represent that their investment in the Ibex Fund is being acquired for its own account, for investment, and not with a view to resale or distribution. Investments in the Ibex Funds are suitable only for sophisticated Investors for whom an investment in the Ibex Fund does not constitute a complete investment program and who fully understand, are willing to assume, and who have the financial resources necessary to withstand the risks involved in the Ibex Fund’s specialized investment program and to bear the potential loss of their entire investment in those investments. The Ibex Funds have stated minimum initial investment requirements ranging from \$25,000 to \$1,000,000 as set forth in the applicable Governing Document. These minimum initial investment thresholds can be waived at the Firm’s discretion.

The Firm on behalf of the Ibex Funds may enter into separate agreements, commonly referred to as “side letters,” or other similar agreements with a particular Investor in connection with its admission to an Ibex Fund without the approval of any other Investor (other than an Investor whose share rights would be materially and adversely changed by such separate agreement), which would have the effect of waiving, altering, or otherwise modifying the terms of the applicable Ibex Fund’s Governing Document to the benefit of such Investor. Other Investors in the applicable Ibex Fund will not be entitled to receive the terms of such side letter. Such rights or terms in any such side letter may include, without limitation: (i) more frequent reporting obligations, (ii) reduced fees, (iii) liquidity and notice, (iv) minimum investment amounts, (v) most favored nation provisions, and (vi) preferred access to co-investment opportunities.

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

Methods of Analysis and Investment Strategies

The Firm’s methods of analysis and investment strategies are described in more detail below. Each investment strategy may be employed by one or more Ibex Funds, managed accounts or sub-advised funds.

Israel Hybrid Strategy. The Israel hybrid strategy invests and trades in a wide variety of securities and financial instruments of all kinds and descriptions, whether publicly traded or privately placed, primarily of companies based in or related to Israel, though the strategy may also make investments



unrelated to Israel. The strategy's investments may include, but are not limited to, common and preferred stocks, bonds and other debt securities, convertible securities, limited partner interests, options, warrants, contracts for differences, commodities, futures, derivatives (including swaps, forward contracts and structured instruments), royalty agreements, currencies, monetary instruments, initial public offerings ("IPOs"), secondary offerings, exchange-traded funds, exchange-traded notes, special purpose acquisition companies ("SPACs"), securities associated with long lending programs, short sales, margin programs, and cash and cash equivalents. While the strategy has the ability to engage in short selling and hedging (and may do so), the strategy focuses principally on taking long positions. The Firm may trade in derivative securities, including options and may purchase and write "put" and "call" options that are traded on national securities exchanges or over-the-counter markets, as well as on electronic communications networks, or created through an arrangement with a counterparty. Options can be used in many ways, such as to increase market exposure (i.e., for purposes of leverage), to reduce overall market company-specific exposure (i.e., for hedging purposes), to increase the portfolio's current income, or to reduce the cost basis of a new position. The strategy may also utilize certain options, such as various types of index or "market basket" options, in an effort to hedge against certain market-related risks, as the Firm deems appropriate.

The investment objective of the strategy is to maximize long-term capital appreciation while managing the inherent risk within the investment portfolio as a whole. The focus of the strategy's investments shall generally be public and private companies (and securities related thereto) based in or related to Israel, regardless of the company's domicile, headquarters, office locations, primary place of business, or listing exchange. The strategy may also invest or participate in securities, financial instruments, or business arrangements unrelated to Israel. The strategy shall generally make investments that the Firm believes offer attractive risk/reward characteristics or serve a function within a portfolio, such as cash management, risk management, hedging, tax management, market factor capture, or another function. The strategy: (i) focuses on Israeli companies, which the Firm believes represent a segment that has been underappreciated and overlooked by the investment community; (ii) employs a hybrid strategy of investing in both public and private companies; (iii) benefits from pricing inefficiencies caused by a lack of information and apathy within the financial community; (iv) capitalizes on the selectivity afforded to a small fund relative to larger public equity funds; and (v) seeks to follow a disciplined approach to selecting attractive companies at appealing prices.

The Firm pursues an opportunistic investment strategy across a variety of sectors, including but not limited to: Information Technology, Communications, Defense (including Security), Life Sciences (including Medical Devices and Pharmaceuticals), Energy, Financial Services, Media (including Advertising), Retail and Consumer Products, Industrials, and Services. The strategy's portfolio companies may be listed on stock exchanges not only in Israel but also in the United States, Canada, the United Kingdom, Switzerland, Germany, or other global markets. The Firm believes industry-specific knowledge is crucial for success in any investment strategy and generally employs a disciplined investment philosophy, investing in industries where the Firm has prior investment experience or is able to leverage the industry expertise of its advisors or other resources.

The Firm may invest in companies that are at all stages of development and the strategy is not constrained by a predetermined allocation between public company and private company investments or between public companies that have large capitalizations or small capitalizations, but will seek to capitalize on attractive opportunities taking into account its overall portfolio.



The Firm's investment process for the strategy involves consideration of some of the following steps which in the opinion of the Firm are applicable to a given investment:

Idea Generation: (i) Leverage extensive network of industry experts, both in Israel and globally; (ii) attend conferences focused on Israeli companies or industries of particular interest; (iii) office in Israel to meet with companies, investors, intermediaries and advisers; (iv) proactively seek out and review independent and trusted research; (v) filter through varied sources of public information to understand key drivers of supply and demand, competition, emerging technologies and market conditions; (vi) conduct screening using available software; and (vii) review public filings from companies listed on U.S., Israeli or other relevant international exchanges.

Identification of Attractive Companies: (i) poised for growth but have not yet realized their potential; (ii) top quality technology or products whose business potential has not been fully exploited; (iii) unfulfilled potential expansion into U.S., European, and/or Asian markets; (iv) undervalued or orphaned by the investment community; (v) fundamentally strong with recent earnings shortfalls or delayed milestone achievements; and (vi) premature IPOs or changes in management teams.

Filtering for Target Characteristics: (i) strong business fundamentals; (ii) unique technology, products, or competitive advantages; (iii) top and bottom line growth; (iv) recurring revenue and strong sales pipeline; (v) rational cost structure; (vi) attractive balance sheets; (vii) catalysts that will force investment community to take notice; and (viii) under the radar of the investment community.

Analysis of Fundamentals: (i) management team; (ii) business model; (iii) customer base and revenue stream; (iv) balance sheet and financial statements; (v) cost structure; (vi) opinions of customers, industry experts, investors and detractors; (vii) potential upside; (ix) risks and potential downside; (x) competitive landscape; and (xi) attractive entry and exit valuations.

Investment and Monitoring of Positions: (i) valuation models; (ii) financial statements; (iii) quarterly earnings calls; (iv) research reports; (v) comparisons to peer group; (vi) in-depth discussions with management team and executive officers; (vii) site visits; and (viii) 3-5 year industry outlook.

Closing of Positions: (i) company has approached or reached the Firm's internal target price and risk-to-reward makes valuation no longer compelling; (ii) exit achieved through acquisition or management buy-out; (iii) deterioration in investment thesis or business fundamentals or management execution; (iv) sector outlook has fundamentally deteriorated; and (v) consideration of additional information or analysis after investment initiation.

Israel Venture Capital Strategy. The Firm's Israel venture capital strategy generally targets investments in post-seed stage Israeli start-ups before international investors take notice in an effort to gain an initial edge. Following its initial investments, the Firm then seeks to identify its best portfolio companies and substantially increase its investment in those companies through follow-on investments. Conversely, when portfolio companies do not appear to be achieving their potential, Ibex will typically not invest further, thereby hoping to mitigate risk and limit losses.

Typically, Ibex pursues investment opportunities that have some or all of the following characteristics: (i) Israel-based companies or companies with strong links to Israel (Israeli founders or substantial Israeli presence); (ii) sectors in which Ibex has gained extensive experience and know-how such as cybersecurity, enterprise software, mobility, and fintech; (iii) management teams with strong



backgrounds, aligned incentives, and experience in their target market; (iv) total addressable market opportunities with substantial upside, high long-term growth potential, and significant merger and acquisition activity; (v) disruptive technologies with the potential to fundamentally change entire sectors; (vi) significant initial traction and/or proof of concept; (vii) ability to leverage data analytics, big data, and artificial intelligence; (viii) opportunity for Ibex to lead the funding round; and (ix) opportunity for Ibex to leverage strategic relationships to amplify the value of capital invested.

The Firm's investment process for the strategy involves consideration of some of the following steps which in the opinion of the Firm are applicable to a given investment:

Quantitative Deal Flow: (i) Ibex expects to source prospective investments from the many start-ups it sees each year via its office in Israel, attendance at conferences, a robust network of contacts, and relationships with incubators, accelerators, early stage investors and advisors; (ii) after initial analysis of the technological advantage, addressable market, team, traction, and exit potential, selected start-ups will advance to a pitch meeting; (iii) chosen start-ups will advance further to follow-on meetings that focus on competitive advantages, performance, customers, product roadmaps, and differentiators; (iv) after further initial diligence, companies may receive a term sheet from Ibex for a prospective investment; and (v) after signing a term sheet and conducting due diligence, Ibex expects to invest in a handful of companies each year.

Qualitative Deal Flow: (i) Angel investors; (ii) pre-seed funds; (iii) seed funds; (iv) micro VCs; (v) boutique investment banks; (vi) financial advisors; (vii) in person meetings at conferences and events and (viii) proactive outreach to key figures in the Israeli tech community.

Management: Ibex will seek to take an active role as an investor of the portfolio companies and looks to partner with management as an active member of a company's board of directors, assist management in strategic and financial plans, recruit key personnel, place strategic outside board members, execute acquisitions, and position a company for an acquisition, an initial public offering, or a merger.

Mobility Revolution Strategy. The investment objective of the strategy is to maximize long-term, risk adjusted returns. The strategy's focus is on investment opportunities created by the proliferation of autonomous, connected and electronically-powered vehicles primarily through a long/short equity structure. The strategy invests both long and short to profit from the changing landscape of mobility. Because these trends have far reaching implications, the universe of relevant potential investments extends across market caps, industries and global geographies. Thematic focuses include, but are not limited to, artificial intelligence ("AI") enabling hardware and software, sensor technology, cyber security, logistics-related technology, fleet management, electrical systems, safety systems, communication infrastructure, communication platforms, data monetization, and basic materials. The Firm will actively seek investments offering lopsided risk/reward opportunities. A great deal of focus is placed on companies with "multiple ways to win". For instance, businesses involved in machine learning are enabling autonomous vehicle operations while simultaneously profiting from applications in other industries such as healthcare and finance. In addition, many of the companies that benefit from the fully autonomous end state are also helping to build and are profiting from the evolutions along the path. Similarly, the strategy focuses on investments that are overlooked, underfollowed, or misunderstood. As a result, the Firm regularly evaluates opportunities in small caps, developing countries, and beneficiaries of second and third order effects from global transportation trends. Alternatively, the short book will focus on waves of disruption brought by these same trends. Just as

the internet impaired different business models at different points of its evolution, the Firm expects similarly staged out effects from the adoption of autonomous, connected, and electric vehicles over time. Part of the move towards autonomous vehicles will likely be a transition from vehicle ownership to transportation as a service (“TAAS”). This is because the cost of vehicle ownership is likely to increase, resulting from the high tech sensor package needed for autonomous operation, while the per mile cost of transportation will likely decrease greatly since no driver will have to be paid for a ride in a shared vehicle. Roadway transportation costs are likely to decrease and vehicle utilization is likely to increase, meaning that fewer vehicles will be required to serve the same number of passengers. Similarly, electric vehicles are far cheaper to maintain because they have far fewer moving parts and do not need regular refills of gas and motor oil to operate. As a result, the Firm expects businesses reliant on selling, servicing and financing traditional vehicles to be negatively affected. Similarly, decreased demand for traditional vehicles will disproportionately hurt businesses reliant on residual values. Companies in that category, such as rental cars and auto dealerships, provide “multiple ways to win” on the short side just like AI related businesses do on the long side. This is because their models are already being pressured by new types of technologies creating peer to peer connections for people trying to buy/sell or rent cars. Similarly, taxi providers and public transportation operators are already being pressured by app based ride hailing. The Firm expects the pressure to increase significantly in the early stages of autonomous vehicle availability. Over time, the Firm expects fewer accidents, less fossil fuel usage, and cheaper delivery services to increase duress in various industries including insurance, health services, food distribution, and oil. Further, the Firm expects negative second and third order effects to impair other types of businesses, municipalities, or nations. The Firm constantly strives to proactively identify entities set to experience the negative consequences of new mobility trends before the market adjusts prices accordingly. In the case of cyclical business models, the Firm will look for cyclically smart entry points to short entities that the market has not yet realized are likely to experience secular declines. The Firm expects the trends it has identified in the changing landscape of transportation to be inevitable. Because exact timing is inherently difficult to estimate, the Firm is constantly assessing the next stage of change and deploying capital accordingly.

Although the strategy will focus primarily on equities, the strategy may also invest in other asset classes, including, but not limited to, options, futures, forwards, debt, convertible debt, warrants, and physical assets when those asset classes offer a better risk/reward opportunity for the same investment theme. Likewise, although not a primary focus, the strategy has and may continue to invest in private portfolio companies to the extent the Firm deems such investments appropriate.

The Firm believes the nature of mobility is at the early stages of revolutionary change. Autonomous, connected, and electrified vehicles are likely to have profound effects on various industries and geographies. The Firm’s strategy is focused on taking advantage of these changes by initiating long and short positions related to the overarching themes at advantageous prices. The Firm’s goal is to capitalize on both the path/pillars – sharing, electrification, connectivity, and autonomous – and the ultimate end state that is built – an electrified, fully-connected and autonomous fleet. Just as there were several building blocks that enabled the mobile Internet and related app ecosystem, from cables, to computers, to cloud infrastructure, to smartphones, and then to software, the Firm expects a similar process for the strategy. The Firm believes that the non-mutually exclusive evolutions will continue to grow in parallel and naturally create both winners (long opportunities) and losers (short opportunities) along the path. The Firm expects the ultimate “Mobility Revolution” will be a product of these sub-evolutions, and transform the way the world operates.

The long side of the investment strategy focuses on investing in the winners of the aforementioned evolutions, and ultimate revolution. This universe encompasses various industries, notably those relevant to the creation and direct monetization of autonomous vehicles. These include, but are not limited to, vehicle autonomous original equipment manufacturer (“OEM”), OEM suppliers, fleet owners and fleet operators, sensors (radar, lidar, sonar, etc.), sensor fusion software, processing hardware (graphics processing units, central processing units, AI architecture, etc.), electrical architecture, cyber security, mapping, infotainment, vehicle to everything communication technologies, battery manufacturers, battery inputs, electric vehicle charging solutions, autonomous car development platforms, data management platforms, ride hailing/sharing (cars, bikes, and other vehicles). Just as the Firm expects consumers to benefit from easier access to goods and services, the strategy also invests directly in logistics businesses harnessing autonomous technology and the digital systems that complement it. Beyond the businesses directly enabling and profiting from autonomous vehicles, the strategy invests in the infrastructure behind the successful operation of autonomous vehicles, including physical infrastructure, such as raw materials, roadway engineering, and real estate, as well as digital infrastructure, such as spectrum assets, cell towers, small cells, satellites, fiber optic cables, data centers, traffic management systems, and sensors enabling communication between vehicles and roadways. As tech enabled vehicles proliferate, the Firm expects there to be a number of knock on effects that change various industries not directly involved in the creation, monetization or enablement of autonomous vehicles. These include areas such as outdoor advertising, digital advertising, entertainment content, augmented/virtual reality, tech enabled insurance, tech enabled healthcare (house call doctors on demand), alcohol production/distribution, and various delivery services (groceries, laundry, etc.). The Firm acknowledges that other, unforeseen investment opportunities are likely to present themselves as increasing numbers of autonomous vehicles are introduced. This strategy aims to take advantage of those as they present themselves.

The short side of the investment strategy focuses on betting against the losers of the aforementioned evolutions, and ultimate revolution. The exact same themes that have been highlighted – notably, sharing, electrification, connectivity, and autonomy – naturally create losers. The Firm expects the evolutions and the ultimate autonomous revolution will be highly disruptive to various companies and industries over time. The Firm aims take advantage of these trends by creating short exposure to disadvantaged industries and geographies in advance of declines in their respective circumstances. Early on in the shift to autonomous vehicles, industries such as traditional OEMs, OEM suppliers, parts and service providers, vehicle finance businesses, rental car providers, auto dealerships, logistics brokers, taxi operators, and public transport suppliers/operators will face pressure resulting from the transition to transportation as a service. Over time, a wave of ramifications will likely disadvantage or destroy various business models not immediately affected by the adoption of autonomous mobility. These will likely include auto insurance, hospitality (i.e., roadside hotels), geographies (i.e., municipalities reliant on moving and parking violations), healthcare and oil (all parts of the supply chain as well as the commodity itself). As with the long book, the Firm expects various second and third order effects both that the Firm can foresee currently and that are unknowable as of yet, to negatively affect various industries over time. The examples presented here represent only a few of the industries likely to be negatively impacted by what the Firm expects will be revolutionary change resulting from a revolution in transportation services. In due course, the Firm will aim to identify industries and geographies ripe for decline and focus on initiating short positions opportunistically when prices might discount the current moment in a cyclical industry but might not price impending step changes destructive to industries.

The Firm's investment process for the strategy involves consideration of some of the following steps which in the opinion of the Firm are applicable to a given investment:

Idea Generation: (i) leverage extensive network of industry experts, globally; (ii) utilize the Firm's internal network; (iii) attend conferences focused on mobility innovation and/or industries of particular interest; (iv) proactively seek out and review independent and trusted research; (v) filter through varied sources of public information to understand key drivers of supply and demand, competition, and market conditions; (vi) conduct screening using software; and (v) run all investments through industry/company/stock framework.

Identification of attractive long opportunities: (i) poised for growth related to the mobility revolution, including its derivative effects; (ii) top quality technology or products whose business potential is not yet appreciated by markets; (iii) multiple ways to win beyond just the participation in the autonomous vehicle market; (iv) unappreciated potential expansion into new geographies or business verticals; (v) sustainable competitive advantage, with constant focus on building moats; (vi) misunderstood or ignored by the investment community; (vii) look for other asset classes that might provide better risk/reward opportunity than equities; and (viii) look for next order of effects of the same trend.

Identification of attractive short opportunities: (i) poised for disruption related to the mobility revolution, including its derivative effects; (ii) multiple ways for the target to lose beyond just disruption from autonomous vehicles; (iii) peers not yet reflecting disadvantages; (iv) no sustainable competitive advantage; not investing in the future; (v) keep other asset classes in mind; (vi) look for next order effects of a trend that has already hurt a given industry, geography or business; and (vii) priced for near term cyclical changes when secular decline is imminent.

Filtering for Target Characteristics, Long side: (i) start with "top-down" macro level view, informing where to dig deeper on a "bottoms up" fundamental basis; (ii) unique technology, products, competitive advantages, attractive point in the cycle; (iii) significant growth in users, volume, revenues, or cash flows not priced by the market; (iv) bias towards models boasting recurring revenue and strong sales pipeline; (v) business model with returns to scale; (vi) rational cost structure; (vii) attractive balance sheets; investing in the future; (viii) under the radar of the investment community; and (ix) near-term catalysts that will force investment community to take notice.

Filtering for Target Characteristics, short side: (i) start with "top-down" macro level view, informing where to dig deeper on a "bottoms up" fundamental basis; (ii) low margin or cyclical models that are weak and getting weaker; (iii) cyclically disadvantaged relative to valuation; (iv) secular declines or disappearance of businesses without future relevance; (v) not investing in the future; and (vi) businesses propped up with distributions or buybacks not sustained by free cash flow generation

Investment and Monitoring of Positions: (i) valuation models; (ii) financial statements; (iii) quarterly earnings calls; (iv) research reports; (v) comparisons to peer group; (vi) in-depth discussions with management team and executive officers; (vii) site visits; and (viii) 3-5 year industry outlook.

Closing of Positions: (i) company has reached the Firm's internal target price and risk-to-reward makes valuation no longer compelling; (ii) deterioration in investment thesis or business fundamentals; and (iii) significant moves down in shorts that are likely to bounce and can be re-initiated at a better price.



Select Strategy. The strategy offers Investors the ability to invest, often alongside the Firm or another Ibex Fund, in a company that Ibex believes has an attractive risk-reward return profile. Ibex Select opportunities are pursued through single-issuer private investment funds organized and managed by Ibex or an affiliated entity. While it is anticipated that the Firm, another Ibex Fund or an affiliated entity will invest alongside Investors pursuant to this strategy making it a co-investment, the strategy may include opportunities that are not organized as co-investments and where the Firm or one of the other Ibex Funds are not also investing alongside Investors in the Ibex Fund pursuing the strategy. The investment process of the strategy generally follows and has similar characteristics as the investment processes described under one of the other Ibex strategies as set forth in this Brochure.

Microcap Strategy. The Firm's Microcap strategy: (i) focuses on ultra-small microcap companies with market capitalizations of \$250 million or less; (ii) seeks to benefit from pricing inefficiencies in the market caused by lack of information and limited research coverage or institutional ownership; (iii) attempts to capitalize on investment opportunities that are available to small investment funds in the less liquid parts of the market because larger funds do not make meaningful investments in such areas; and (iv) focuses on identifying attractive companies at appealing valuations. The strategy makes investments through open market purchases of public companies and may participate in private placements, initial public offerings, SPACs and make investments in private companies at the Firm's discretion. Primarily, the strategy seeks to invest in companies that have stock prices that the Firm believes fail to reflect the value inherent in the companies. Investments are primarily focused in U.S. companies traded over the counter or on exchanges located in the U.S. but may also include foreign companies traded on foreign exchanges. Under the strategy, the Firm takes primarily long positions in companies. Investment instruments primarily include equity securities, warrants, options, convertible securities and debt securities.

The Firm's investment process for the strategy uses fundamental, technical, and cyclical analysis, modeling and other analytic tools to evaluate prospective investments and locate opportunities that meet the strategy's investment goals. In this regard, the Firm uses standard news periodicals, annual reports, press statements, filings with the SEC, and research provided by outside sources to evaluate current and prospective positions. The Firm also communicates with research analysts of brokerage and advisory firms, attends presentations given to securities analysts, reviews industry publications, attends industry specific conferences, and if appropriate, interviews customers, suppliers and competitors of a particular company. The Firm may also inspect the corporate activities of a particular company including touring the company's facilities and meeting with management to decide if investment fits the strategy.

The Firm is not limited by the above discussion of the investment strategies and has wide latitude to invest or trade assets, to pursue any particular strategy, or to change the emphasis without obtaining the approval of underlying Ibex Fund Investor to the extent consistent with the particular Ibex Fund's Governing Documents. Other than as set forth above, the Firm's investment strategies impose no significant limits on the types of instruments in which the Firm may take positions, the types of positions it may take or the concentration of investments or non-diversification. The foregoing description is general and is not intended to be exhaustive, and there are limitations on all descriptions of investment process due to the complexity, confidentiality and subjectivity of the process.

This description is intended to be a brief description of the principal strategies utilized by the Firm and is not a full description of each strategy. Each strategy is more fully described in the applicable Ibex Fund's Governing Documents.



Risk of Loss

Investment in securities involve significant risk of loss that clients and Investors should be prepared to bear, including the risks discussed below. These risks are generally applicable to the investment strategies of the Ibex Funds and other clients (although certain risks described below may not be applicable to every strategy). Investors should consider their investment goals, time horizon and risk tolerance before investing in the types of securities that Ibex invests in on behalf of clients, or before investing in an Ibex Fund. Ibex does not guarantee that any client account will meet a particular level of performance or perform comparably with any standard or benchmark including other Ibex client accounts. Past performance of any Ibex Fund or investment strategy is not indicative of future performance. Investments in the Ibex Funds or strategies do not represent a complete investment program and are intended for long-term investors who hold for substantial periods of time. Investors have lost money investing in the types of securities that Ibex buys and sells and clients could lose money in such investments in the future. Set forth below is a general description of material risks for accounts for which Ibex provides investment advisory services. Depending on the specific investment strategy of the account, the following risk factors may or may not be material to that strategy. For the avoidance of doubt, the risks below also apply to any managed account or sub-advised fund investing in any of the investment strategies of the Ibex Funds. **Investors are urged to review the particular Ibex Fund's Governing Documents for further information related to the specific risks of an investment in a particular strategy and risks associated with each respective Ibex Fund.**

Risks Associated with the Firm's Strategies Generally

Investment Activities. The Firm's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Firm. Such factors include a wide range of economic, political, competitive, technological and other conditions (including natural disasters, acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of a client to realize profits. As a result of the nature of the investing activities, it is possible that a client's financial performance may fluctuate substantially over time and from period to period.

Market Risks Generally. The profitability of a significant portion of the Firm's investment strategies depend to a great extent upon correctly assessing the future course of price movements of specific securities and companies. There can be no assurance that the Firm will be able to predict these price movements accurately. With respect to the investment strategies utilized by the Firm, there is always some, and occasionally a significant, degree of market risk.

Concentration of Investments. The strategies do not formally limit the amount of assets that may be invested in a single company, security, industry, sector or asset class. The concentration of a portfolio in any manner would subject the client to a greater degree of risk with respect to the failure of one or a few investments, or with respect to economic downturns in relation to an individual company, security, industry, sector or asset class.

Failure to Attract, Develop and Retain Qualified Employees. A portfolio company's performance is highly dependent on attracting and retaining qualified employees, including a senior management team and other key employees. Offering effective products for customers requires a highly-trained and engaged workforce. Factors that affect a portfolio company's ability to maintain



sufficient numbers of qualified employees include employee morale, reputation, unemployment rates, competition from other employers and the ability to offer appropriate compensation packages. A portfolio company's inability to recruit a sufficient number of qualified individuals or failure to retain key employees in the future may impair its efficiency and effectiveness and its ability to pursue growth opportunities.

Lack of Suitable Investments. There can no assurance that the Firm will be able to continue to identify enough suitable investments or satisfactory terms of investment. There also can be no assurance that the Firm will be able to identify and complete investments that meet a strategies investment objectives. A lack of quality opportunities coming to market or a highly competitive buyer's market may result in the inability to deploy a client's assets. Additionally, investors in an Ibex Fund will not have the opportunity to evaluate prospective investments. The Firm's selection of investments will not be subject to the approval of those investors and will not entitle those investors to withdraw their investment from an Ibex Fund.

Inability to Implement Investment Strategy. An investment strategies success is dependent upon a number of factors, including the Firm's ability to identify acceptable investments. There can be no assurance that the Firm will be successful in implementing a client's investment strategy. The failure to locate, invest in and exit from investments in an effective manner could have a material adverse effect on the Firm and its ability to make cash distributions to investors in an Ibex Fund and to pay amounts due on an Ibex Fund's debt, or it could result in the loss of an investor's entire investment.

Limited Operating History of Portfolio Companies. A portion of a strategy's portfolio may be invested in portfolio companies with a very limited operating history. Accordingly, the Firm cannot predict with any accuracy whether such companies will succeed; consequently, there can be no assurances that the Firm will be able to implement its investment strategy and investment approach or achieve its investment objective or targeted returns, or that an investor will receive a return on its capital or even any of its original investment.

Investments in Small Capitalization Companies. A strategy's investment program may contemplate that a portion of a client's portfolio may be invested in companies with small capitalization. While the Firm believes that such companies generally have potential for rapid growth, they also often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies.

Investing in Restricted Securities and Private Equity. The strategy of some clients will be to invest assets directly or indirectly in privately-owned companies. Until such time as a portfolio company becomes a public company, the portfolio will be comprised of non-marketable securities and non-public companies. Any such securities or other interests acquired will generally have restrictions on resale and, even in the absence of such restrictions, may not be marketable. In addition, the ability of a client to profit from many of its investments will be highly dependent upon the ability of a portfolio company to progress in its development to the point where it has a number of exit options. Numerous factors may impede or prevent a company from reaching this point, including inadequate capital, unfavorable competitive developments, inadequate management or loss of key persons, technology obsolescence, and lack of market acceptance. The portfolio companies may face significant capital shortfalls for a wide variety of reasons. Product development, modernization of technology or acquisition and integration of a new unit or subsidiary may prove more expensive or take more time than anticipated and the growth in revenues may be slower than expected. In any such



event, a client account may be asked to provide additional capital. If a client account is unable or refuses to provide the additional capital, the applicable portfolio company may obtain the needed funds from another source, diluting the earlier investment by the client. Alternatively, the inability of a portfolio company to obtain the needed financing may result in the failure of such company and a loss of the investment by the client. While the Firm may have an advisory role in the portfolio companies in which it makes private equity investments, the Firm will generally be dependent upon the management of such companies to manage such companies in a manner that allows the client to realize upon its investment. In addition, other owners with controlling interests in such investments may be able to take actions which adversely affect the value of the investment or the interest therein of the client.

Instability and Enhanced Risks in Some Investments. The Firm may invest in companies that are subject to extreme volatility in their stock price and unstable business conditions. Some of the companies may rely on limited products or services, have limited financial resources, be saddled with onerous debt obligations and lack depth in the executive team. Many of them are also subject to severe competition from larger companies with greater financial and managerial resources. By being selective in its investment choices, the Firm intends to minimize those risks, but some or all of these risks may be applicable to a strategy's investments. The focus of a strategy in private company investments as well as some public company investments is likely to involve assessing the prospects of companies that at the time of investment have no income and no revenues. Their success is likely to be dependent on the successful development of products or services, the ability to penetrate established markets, the retention of qualified executives, the availability of continued financing and a number of other formidable obstacles.

Illiquid Securities. Certain strategies will invest in unregistered securities of publicly held companies and will invest in privately held companies. Such investments will be illiquid and may be difficult to value. A client may be required to hold investments for a significant amount of time from the date of initial investment until disposition. Sales of unregistered securities may not be possible and, if possible, may be made at substantial discounts from costs or market value. Some portfolio companies may have the need for additional capital to support continued operations, expansion, or to achieve or maintain a competitive position, and there is no assurance that such capital will be available, particularly with respect to private companies.

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

Accuracy of Public Information. The Firm may select investments for a strategy, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Firm by the issuers or through sources other than the issuers. Although the Firm evaluates certain such information and data and sometimes seeks independent corroboration when the Firm considers it is appropriate and when it is reasonably available, the Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.



Short Sales. The Firm may invest a client's assets in short sales. In the case of securities, short selling involves the sale of a security that the client does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the client must borrow securities from a third-party lender. The client subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. The client must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains its right to receive interest and dividends accruing to the securities. In exchange, in addition to lending the securities, the lender generally pays the client a fee for the use of the client's cash. This fee is based on prevailing interest rates, the availability of the particular security for borrowing and other market factors. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. The client may be subject to substantial losses if a security lender demands return of the lent securities and an alternative lending source cannot be found. An investment strategies focus on Israel and the inclusion of private company investments in the portfolio makes short selling and other speculative techniques, practices that have contributed to the downfall of other funds, very difficult and potentially risky. First, little to no stock is available for borrowing in the case of many Israeli public companies. Second, even if the client were able to borrow shares of a certain company, covering the short with a stock with limited trading volume could prove very problematic without driving the stock price up significantly.

Options and Other Derivative Instruments. The Firm may invest, from time to time, a portion of a client's assets in options and derivative instruments, including buying and writing puts and calls on some of the securities held by the client in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The client is also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument or asset at the exercise price.

If a put or call option purchased by a client were permitted to expire without being sold or exercised, the client would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset



caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the client at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the client at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the client of all or a substantial portion of its assets.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Hedging Transactions. The Firm may engage in hedging transactions on behalf of a client. Investments in financial instruments such as options and interest rate swaps, caps and floors, and other derivatives are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the client to hedge against a fluctuation at a price sufficient to protect the client’s assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile instruments or assets may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices.

The Firm is not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedges are implemented, their success is dependent on the Firm’s ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

Borrowing by the Partnership; Use of Leverage. When deemed appropriate by the Firm and subject to applicable regulations, a client account may incur leverage in its portfolio by borrowing money from banks or other institutions. Such leverage will create similar risks to those attendant to purchasing securities on margin, including, without limitation, greater potential for loss of capital. The client may be required to provide collateral to the entity from which it borrows by registering or



pledging the interests or assets of the portfolio in the names of such entities or their nominees. This procedure exposes the client to the risk that for whatever reason, including, without limitation, the default, insolvency, negligence, misconduct or fraud of such banks, the client will not reacquire the ownership of such interests upon the repayment by the client of such investments. Also, the client will be unable to reacquire such interests if the client defaults on such investments. The client's failure or inability to reacquire such interests from the banks in whose name the interests are registered in support of an investment could entangle the client in protracted litigation and, potentially, result in the complete loss of such interests. While the Firm expects to borrow money only from banks or other institutions the Firm believes to be creditworthy, there can be no absolute certainty that such institutions will return such interests to the client upon the repayment of such loans.

If the amount of leverage which the client account may have outstanding at any one time is large in relation to its capital, fluctuations in the performance of the client's portfolio will have disproportionately large effects in relation to the portfolio's capital and the possibilities for profit and the risk of loss will therefore be increased. Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Investors should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

Private Investments in Public Equities ("PIPEs"). The Firm may invest a portion of a portfolio in PIPEs. Many PIPEs investors focus on making directly negotiated private investments in public and non-public companies, typically focused primarily on providing alternative funding options for small to mid-sized publicly-traded companies with lower market capitalizations. PIPEs investors generally invest at terms which are more favorable than those available in the public markets for the corresponding companies. The client's PIPE investments may include those companies trading in the over-the-counter markets, such as the NASDAQ, the NYSE, the Tel Aviv Exchange and other exchanges. The Firm may originate such transactions directly with the issuer or through placement agents that are active in placing such investments in the PIPEs markets.

Investments in Securities and Other Assets Believed to Be Undervalued. The Firm will invest a large portion of a client's portfolio in securities and other assets that the Firm believes to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from these investments may not adequately compensate for the business and financial risks assumed. Economic conditions and any future major economic recession can severely disrupt the markets for such investments and significantly impact their value. In addition, any such economic downturn can adversely affect the ability of the issuers of debt obligations to repay principal and pay interest thereon and increase the incidence of default for such securities. Additionally, there can be no assurance that other investors will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, the client may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of the client's funds would be committed to the investments made, thus possibly preventing the client from investing in other opportunities.

Specific Risks Related to SPACs. A strategy may invest in SPACs purchased in their IPO or traded in the market, or by providing risk capital or sponsorship to the operations of such entity. Because



SPACs and similar entities have no operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. The ability of the Firm to evaluate the quality of an investment in a SPAC is severely limited because a blank check company has no investment strategy, operating history, or business terms to evaluate at the time of such investment. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices. In addition, these securities, which are typically traded in the over-the-counter market, may be considered illiquid and/or may be subject to restrictions on resale.

An investment in a SPAC is subject a variety of risks, including that: (i) a significant portion of the monies raised by the SPAC for the purpose of identifying and effecting an acquisition or merger may be expended during the search for a target transaction; (ii) an attractive acquisition or merger target may not be identified at all, and the SPAC will be required to return any remaining monies to shareholders; provided that the SPAC's investors generally will lose a portion of the capital they invested in the SPAC, as that amount is generally retained by the SPAC's management team or otherwise used for expenses other than the acquisition; (iii) any proposed merger or acquisition may be unable to obtain the requisite approval, if any, of SPAC shareholders; (iv) an acquisition or merger once effected may prove unsuccessful and an investment in the SPAC may lose value; (v) the warrants or other rights with respect to the SPAC held by the client may expire worthless or may be repurchased or retired by the SPAC at an unfavorable price; (vi) a SPAC may be the target of fraud that could cause substantial losses to SPAC investors (i.e., the client); (vii) the client will be delayed in receiving any redemption or liquidation proceeds from a SPAC to which it is entitled; (viii) an investment in a SPAC may be diluted by additional later offerings of interests in the SPAC or by other investors exercising existing rights to purchase shares of the SPAC; (ix) no, or only a thinly-traded, market for shares of or interests in a SPAC may develop, leaving the client unable to sell its interest in a SPAC or to sell its interest only at a price below what the Firm believes is the SPAC interest's intrinsic value; (x) the actions undertaken by SPACs may be subject to greater regulatory scrutiny, potentially raising costs; and (xi) the values of investments in SPACs may be highly volatile and may depreciate significantly over time.

Finally, companies that a SPAC may evaluate for a takeover may have information about the SPAC's resources available for completing the transaction. That information can give those companies advantages in the negotiation process, raising investors' cost of participating in the SPAC.

Adoption of New Technology. The introduction of services embodying new technologies could render a client's portfolio companies' existing services and features obsolete or less attractive to customers. Other similar technologies exist or could be developed in the future, and the client's portfolio companies' businesses could be harmed if such technologies are widely adopted.

Accessibility of Services. The ability to access a portfolio company's services at all times and at acceptable load times may be crucial for its business. In the future, a portfolio company may experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, hardware failures, capacity constraints due to an overwhelming number of customers accessing its service simultaneously, denial of service, fraud or security attacks or failure of third-party service providers on whom it relies to perform data hosting and related services. In some instances, it may not be able to identify the cause of these performance problems within an acceptable period of time. It also may become increasingly difficult to maintain and improve the availability and reliability of its services, especially during peak usage times, as its



services become more complex and as its customer traffic increases. If its service is unavailable when customers attempt to access it or it does not load as quickly as they expect, customers may believe that its services are unreliable or too slow. New or existing customers may seek other companies' services and may not return to a portfolio company's services as often in the future, or at all. This would harm the portfolio company's ability to attract customers and could decrease the frequency with which they use its website and mobile solutions. To the extent a portfolio company does not effectively address capacity constraints, upgrade its systems as needed and continually develop its technology and network architecture to accommodate actual and anticipated changes in technology, its business and results of operations may be harmed.

Intellectual Property Rights of Third Parties. The Firm's investments may suffer if it invests in companies that are sued for infringing the intellectual property rights of third parties. Some companies, including some of the current portfolio companies' competitors, may own large numbers of patents, copyrights, trademarks and trade secrets, which they may use to assert claims of infringement, misappropriation or other violations of intellectual property rights against a portfolio company. As the number of services and competitors in the market increase and overlaps occur, claims of infringement, misappropriation and other violations of intellectual property rights may increase. Any claim of infringement, misappropriation or other violation of intellectual property rights by a third party, even those without merit, could cause the client's portfolio companies to incur substantial costs defending against the claim.

An adverse outcome of a dispute may require a portfolio company to pay substantial damages, including treble damages, if it is found to have willfully infringed a third party's patents or copyrights; cease making, licensing or using solutions that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to attempt to redesign its services or otherwise to develop non-infringing technology, which may not be successful; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies or intellectual property rights; and indemnify its disbursement partners and other third parties. Royalty or licensing agreements, if required or desirable, may be unavailable on terms acceptable to it, or at all, and may require significant royalty payments and other expenditures. In addition, some licenses may be non-exclusive, and therefore its competitors may have access to the same technology licensed to the portfolio company. Any of these events could harm a portfolio company's business, financial condition and results of operations.

The business of a portfolio company may also suffer if it is unable to obtain rights to third-party intellectual property on which its service offering is dependent. Unauthorized parties may attempt to misappropriate, reverse engineer or otherwise obtain and use proprietary technology and trade secrets of the client's portfolio companies. The contractual provisions that companies enter into with employees, consultants, disbursement partners, vendors and customers may not prevent unauthorized use or disclosure of their proprietary technology or intellectual property rights and may not provide an adequate remedy in the event of unauthorized use or disclosure of the portfolio company's proprietary technology or intellectual property rights. Moreover, policing unauthorized use of a company's technologies, services and intellectual property is difficult, expensive and time consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States, and where mechanisms for enforcement of intellectual property rights may be weak. The client's portfolio companies may be unable to determine the extent of any unauthorized use or infringement of their services, technologies or intellectual property rights.



From time to time, legal action by a portfolio company may be necessary to enforce its patents and other intellectual property rights, to protect its trade secrets, to determine the validity and scope of the intellectual property rights of others or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could negatively affect the client's portfolio company's business, results of operations and financial condition. If the portfolio company is unable to protect its intellectual property rights, it may find itself at a competitive disadvantage to others who need not incur the additional expense, time and effort required to create innovative services.

Cyber Security Breaches and Identity Theft. The Firm's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Firm's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Data Breaches Could Adversely Affect Reputation and Revenues. The use and handling of personally identifiable data by a portfolio company's business, business associates and third parties may be regulated at the state, federal and international levels. The interpretation and enforcement of data protection laws in the United States, Europe and elsewhere are uncertain and, in certain circumstances, contradictory. These laws may be interpreted and enforced in a manner that is inconsistent with a portfolio company's policies and practices. If it is subject to data security breaches or government-imposed fines, it may have a loss in sales or be forced to pay damages or other amounts, which could adversely affect profitability, or be subject to substantial costs related to compliance.

For example, a portfolio company may be contractually obligated to comply with certain industry standards regarding payment card information or other private data. Increasing costs associated with information security, such as increased investment in technology, the costs of compliance and costs resulting from consumer fraud could cause a portfolio company's business and results of operations to suffer materially. Additionally, the success of online operations depends upon the secure transmission of customer and other confidential information over public networks, including the use of cashless payments. Lapses in controls or the intentional or negligent actions of employees, business associates or third parties may undermine a portfolio company's security measures. As a result, unauthorized parties may obtain access to its data systems and misappropriate customer and other confidential data. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography or other developments will prevent the compromise of customer transaction processing capabilities and customer personal data. Furthermore, because the methods used to obtain unauthorized access change frequently and may not be immediately detected, a portfolio company may be unable to anticipate these methods or promptly implement preventative measures. Any such compromise of its security or the security of information residing with its business



associates or third parties could have a material adverse effect on its reputation and may expose it to material costs, penalties and compensation claims. In addition, any compromise of its data security may materially increase the costs it incurs to protect against such breaches and could subject it to additional legal risk.

Risk of Default or Bankruptcy of Third Parties. The Firm may engage in transactions in securities and other financial instruments and assets that involve counterparties. Under certain conditions, a client account could suffer losses if a counterparty to a transaction were to default or if the market for certain securities or other financial instruments or assets were to become illiquid. In addition, the client could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Firm does business, or to which securities or other financial instruments or assets have been entrusted for custodial purposes.

Custody and Clearing Brokerage Risk. There are risks involved in dealing with the custodians or clearing brokers who settle Firm trades. Although the Firm monitors the prime broker it utilizes for client trades and believes it is an appropriate custodian, there is no guarantee that the prime broker, or any other custodian that the Firm may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the U.S. Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of client assets, the client would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The Firm and/or the prime broker may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the client. The prime broker may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the client as a result of the bankruptcy or insolvency of any such sub-custodian. The client may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the client. Under certain circumstances, including certain transactions where the client's assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime broker, or where the client's assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the client and hence the client could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the client to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the client may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing the client's rights to its assets in the case of a bankruptcy or insolvency of any such party.

Limitations on Ability to Exit Investments. The Firm expects a client to exit from its investments in four principal ways: (i) sale of publicly listed shares on the open market, (ii) private sales, (iii) acquisitions by a larger company and (iv) initial and secondary public offerings. At any particular time, not all of these avenues may be open to the client account or the timing with respect to any one of



these exit alternatives may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

Certain Litigation Risks. The Firm and its affiliated entities will be subject to a variety of litigation risks, particularly if one or more of its portfolio companies face financial or other difficulties. Legal disputes, involving the Firm or its affiliates may arise from activities relating to the operation of the client accounts and could have a significant adverse effect on a client. For example, it is anticipated that the Firm or its affiliates may actively assist portfolio companies in differing capacities (including, without limitation, by serving as officers, directors, or advisors). A client may also participate in portfolio company financings at implicit portfolio company valuations lower than the valuations implicit in preceding rounds of financing. While this provides the client with more opportunity to positively influence the company's success, it can also lead to greater exposure of the client's assets. In the event of a dispute arising from any of the foregoing activities, it is possible that the Firm, an Ibex Fund or any of their respective affiliates may be named as defendants. Portfolio companies may have insurance to protect directors and officers, but this insurance may be inadequate. In many circumstances, the Ibex Fund will indemnify the Firm and its managers, members, principals, affiliates and employees for any costs they incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect the Firm in a variety of ways, including by distracting the Firm and the principals and harming relationships between the Firm and its portfolio companies or other investors in its portfolio companies.

Competition in the Marketplace. The sectors and industries in which the Firm intends to invest can be highly competitive and are often characterized by rapid and continuous technological innovation. As new companies enter the market and advanced technologies become available, the Firm's portfolio companies may compete for resources and personnel, in addition to the success of their products. In the future, new competitors, alliances, or consolidation among established companies may emerge, or competitors may leave the market, resulting in a changed competitive environment. Some companies may have longer operating histories, significantly greater financial, technical, marketing, customer service and other resources, greater name recognition, exclusive agreements or a larger base of customers in affiliated businesses than the Firm's portfolio companies. Some companies may respond to new or emerging technologies, legal or regulatory changes and changes in customer requirements faster and more effectively than the Firm's portfolio companies, and they could be perceived to effectively improve their products and services relative to the Firm's portfolio companies. This competition could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses, a portfolio company's failure to increase its market share, or a loss of its market share, any of which could harm the Firm's portfolio company's results of operations and financial condition. If the Firm's portfolio companies are unable to compete effectively and continue to grow their business, their business, financial condition and results of operations, and the Firm's whole portfolio, could be harmed.

Speculative Nature of Certain Investments. Certain potential investments of the Firm may be regarded as speculative in nature and involve increased levels of investment risk. Since an inherent part of the Firm's strategies will be to identify securities that are undervalued by the marketplace, success of such strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur. Equity positions may involve highly speculative securities. Accordingly, investors must be prepared to assume the risks inherent in such speculative investments.



Non-U.S. Securities. Certain of the Firm's strategies invest principally in securities of companies having significant operations or other interests in Israel. Investment in non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social issues, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Furthermore, Israel is situated in a volatile region of the world and may potentially become involved in political, diplomatic, or military conflicts that affect the price of some or all Israeli securities, as discussed below.

Currency and Exchange Rate Risk. Capital contributions by investors in the Ibex Funds and cash distributions to investors will be made in U.S. dollars. Investments of an Ibex Fund may be made in currencies other than U.S. dollars and proceeds from the disposal of certain investments may be realized in currencies other than U.S. dollars. Consequently, the value of the portfolio's investments in some securities could be affected by currency movements and could fall should the U.S. dollar appreciate against the currency in which individual investments are denominated.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. The Firm's business activities, as well as the activities of an Ibex Fund and its operations and investments, could be materially adversely affected by outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus, or COVID-19, has spread and is currently spreading rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negatively affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of coronavirus, or COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of the Firm and an Ibex Fund. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to worsen), the Firm and the Ibex Fund could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on the Firm's (or an Ibex Fund's) operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

Additional Risks Related to Israel Investments

Political, Military and Related Risks for Israel. The Firm's Israel strategies intend to invest most of its assets in portfolio companies located, or conducting substantial business or having other



interests in Israel. The strategies and the portfolio companies may be materially adversely affected by political, military and economic conditions in the Middle East and in Israel. Specifically, the strategies and its portfolio companies could be materially adversely affected by, among others: major hostilities involving Israel; a full or partial mobilization of the reserve forces of the Israeli army; the interruption or curtailment of trade between Israel and its present or future trading partners; a significant downturn in the economic or financial conditions in Israel; a significant increase in inflation; labor disputes and strike actions; and political instability. In addition, certain countries, as well as individual companies, participate in a boycott of Israeli firms and others doing business in Israel or with Israeli companies. This boycott, or any future boycotts, could have a material adverse effect upon certain portfolio companies.

The strategies will be exposed to certain financial risks inherent to investing in Israel. The securities markets in Israel are substantially smaller, less sophisticated, less liquid and more volatile than those in the United States. Financial statements of the portfolio companies may be prepared in accordance with Israeli generally accepted accounting principles or international financial reporting standards, which differ in certain important respects from GAAP. The strategies could also be susceptible to potential regulatory changes applicable to Israeli markets that could potentially inhibit the Firm's ability to invest in private Israeli companies.

Economic Policy in Israel. Israel's economy has been subject to numerous destabilizing factors in the past few decades, including a period of rampant inflation in the early to mid-1980s, low foreign exchange reserves, fluctuations in world commodity prices, military conflicts and civil unrest. In response to these problems the Israeli government has intervened in various sectors of the economy, employing, among other means, fiscal and monetary policies, import duties, foreign currency restrictions, and control of wages, prices and foreign currency exchange rates. The Israeli government has frequently changed its policies in all of these areas. There can be no assurance that the Israeli government will be successful in keeping prices and exchange rates stable. Price and exchange rate instability could have a material adverse impact on the performance of the strategies.

Shifts in Israeli Government Policy. Due to the nature of the multi-party political system in Israel and the intense political climate, political change in Israel tends to materially affect governmental policies and processes. Israel's government policies and decisions with respect to the privatization and project finance, incentive programs for specific industries or foreign investors or tax policy are all subject to rapid change, which may materially and adversely change the strategies' prospects and/or the prospects of its portfolio companies.

Israeli Military Service. All male adult permanent residents of Israel until they reach the age of 40 (and in some cases, depending on their military profession up to 45 or beyond that age) are, unless exempt, obligated to perform military reserve duty annually, depending on their age and position in the army. Additionally, all such residents are subject to being called to active duty at any time under emergency circumstances. Some of the employees of the portfolio companies (including key employees) might be obligated to perform annual reserve duty. While most Israeli companies have operated effectively under these requirements in the past, no assurance can be made of the full impact of such requirements on the strategies or its portfolio companies, particularly if emergency circumstances occur.

Israeli Government Programs. Portfolio companies in which the Israel focused strategies invest may benefit from certain Israeli government grants, programs and tax benefits. To be eligible for these



programs and tax benefits, these portfolio companies must continue to meet certain conditions, including making certain specified investments in fixed assets. Certain programs may require these companies to manufacture products developed with governmental assistance in Israel, and may prohibit the transfer of government-funded technology abroad. If the portfolio companies fail to meet such conditions in the future, they could be required to refund tax benefits already received and make penalty payments. There can be no assurance that these programs and tax benefits will be continued at their current levels or otherwise. The termination or reduction of these benefits could have a material adverse effect upon such portfolio companies' operations.

IIA Funding. Specifically, various portfolio companies may have received or may receive funding from the Israel Innovation Authority (the "IIA", formerly known as the Office of the Chief Scientist at the Israeli Ministry of Economy). Under the current legal situation, receipt of funding from the IIA entails certain limitations regarding the sale or transfer of rights in technology or know-how developed with IIA funding (within or outside of Israel) and the transfer of manufacturing rights outside of Israel. Specifically, any product incorporating technology developed with IIA funding may not be manufactured outside of Israel, nor may the technology (or the rights therein and thereto) which is embodied in such products be transferred outside of Israel without appropriate governmental approvals and/or making certain payments to the IIA. These restrictions could have a material adverse effect on the ability of portfolio companies to enter into strategic alliances or enter into merger or acquisition transactions.

Additional Risks Related to Mobility Investments

Industry Competition. The strategy intends to invest in companies in the autonomous vehicle technology space that the Firm believes may have the ability to meaningfully impact the industries in which they compete. While the Firm believes that autonomous vehicles present substantial opportunities, the development of such technology is expensive and time-consuming and may not be successful. If the portfolio companies fail to develop and successfully commercialize autonomous vehicle technologies or fail to develop such technologies before their competitors, or if such technologies fail to perform as expected, are inferior to those of their competitors, or are perceived as less safe than those of their competitors or non-autonomous vehicles, the financial performance and prospects of the portfolio companies would be adversely impacted.

Risks Related to Development of New Technologies and Products. Autonomous vehicle operations are capital intensive and are subject to a variety of risks inherent with the development of new technologies, including: a portfolio company's ability to continue to develop self-driving software and hardware, such as LiDAR sensors and other components; access to sufficient capital; risks related to the manufacture of purpose-built autonomous vehicles; and significant competition from both established automotive companies and technology companies, some of which may have more resources and capital to devote to autonomous vehicle technologies than those in which the strategy may invest.

The Firm cannot provide assurance that certain of the portfolio companies' products will not become obsolete or that such companies will be able to achieve the technological advances that may be necessary for them to remain competitive and maintain or increase their revenues in the future. The portfolio companies may also be subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development or production and failure of products to operate properly. The pace of their development and

introduction of new and improved products depends on the ability of these companies to implement successfully improved technological innovations in design, engineering and manufacturing, which requires extensive capital investment. Any capital expenditure cuts in these areas that are implemented in the future to reduce costs and conserve cash could reduce a company's ability to develop and implement improved technological innovations, which may materially reduce demand for its products.

To compete effectively in the automotive technology and components industry, a portfolio company must be able to launch new products to meet changing consumer preferences and customers' demand in a timely and cost-effective manner. A company's ability to respond to competitive pressures and react quickly to other major changes in the marketplace is also a risk to its future financial performance.

The Firm cannot provide assurance that the portfolio companies will be able to install and certify the equipment needed to produce products for new product programs in time for the start of production, or that the transitioning of a company's manufacturing facilities and resources to full production under new product programs will not impact production rates or other operational efficiency measures at such company's facilities. Development and manufacturing schedules are difficult to predict, and no assurance can be provided that customers will execute the launch of a company's new product programs on the optimal schedule. The failure of a portfolio company to successfully launch new products, or a failure by its customers to successfully launch new programs, could adversely affect such company's results.

Portfolio Company Relationships with Third Parties. The development of autonomous vehicle technologies is highly dependent on internally developed software, as well as on partnerships with third parties, such as original equipment manufacturers ("**OEMs**") and other suppliers. Portfolio companies may develop and integrate self-driving software into autonomous vehicle technologies and work with OEMs and other suppliers to develop autonomous vehicle technology hardware. The dependence on these relationships exposes the Fund's portfolio companies to the risk that components manufactured by OEMs or other suppliers could contain defects that would cause the companies' autonomous vehicle technologies to not operate as intended. Further, reliance on these relationships exposes them to risks beyond their control, such as third-party software or manufacturing defects, which would substantially impair the portfolio companies' ability to deploy autonomous vehicles. If autonomous vehicle technologies were to contain design or manufacturing defects that caused such technology to not perform as expected, or if a portfolio company was unable to deploy autonomous vehicles as a result of manufacturing delays by OEMs, its financial performance and prospects could be harmed.

Reputational Risks Related to Product Safety Recalls and Alleged Defects. Government safety standards require manufacturers to remedy certain product safety defects through recall campaigns and vehicle repurchases. Under these standards, the Fund's portfolio companies could be subject to civil or criminal penalties or may incur various costs, including significant costs for repairs made at no cost to the consumer. The costs to complete a recall could be exacerbated to the extent that such action relates to a global platform. Concerns about the safety of advanced technologies like autonomous vehicles, whether raised internally or by regulators or consumer advocates, and whether or not based on scientific evidence or supported by data, can result in product delays, recalls, lost sales, governmental investigations, regulatory action, private claims, lawsuits and settlements, and reputational damage. These circumstances can also result in damage to brand image, brand equity and consumer trust in the portfolio company's products and ability to lead the disruption occurring in the automotive industry. Additionally, a variety of systems, components, raw materials and parts may be



sourced from third parties. From time to time, these items may have performance or quality issues that could harm a portfolio company's reputation and cause it to incur significant costs, particularly if the affected items relate to global platforms or involve defects that are identified years after production. A portfolio company's ability to recover costs associated with recalls or other campaigns caused by parts or components purchased from suppliers may be limited by the suppliers' financial condition or a number of other reasons or defenses.

Changes in Regulations Related to Portfolio Companies. Changes in legislative, regulatory or industry requirements may render certain products obsolete or less attractive. The ability of a portfolio company to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis are significant factors in its ability to remain competitive and to maintain or increase its revenues. For example, the evolving sector of automated driver assistance and autonomous driving technologies has led to evolving guidance issued by the U.S. Department of Transportation ("**DOT**") regarding best practices for the testing and deployment of automated driving systems, and outlining federal and state roles in the regulation of these systems, including providing state legislatures with best practices on how to safely foster the development and introduction of automated driving technologies onto public roads. There remains potential for the continued introduction of new and expanded regulations in this space, including potential requirements for autonomous vehicle systems to receive approval from the DOT or other regulatory agencies prior to commercial introduction. It is also possible that regulations in this space may diverge among jurisdictions, leading to increased compliance costs.

Market Acceptance. There can be no assurance that the market will accept autonomous vehicles, and even if it does, that a portfolio company will be able to execute on its business strategy or that its offerings will be successful in the market. Even if a company is able to successfully develop and implement autonomous vehicle technology, there may be heightened public skepticism of this nascent technology and its adopters. In particular, there could be negative public perception surrounding autonomous vehicles, including the overall safety and the potential for injuries or death occurring as a result of accidents involving autonomous vehicles and the potential loss of income to human drivers resulting from widespread market adoption of autonomous vehicles.

Regulatory Risks

General Regulatory Risks. Statutes, regulations and policies are continually under review by the U.S. Congress and state legislatures and federal and state regulatory agencies. The introduction of new legislation or amendments to existing legislation and regulations (including changes in how they are interpreted or implemented) by governments, the decisions of courts and tribunals and the rulings and decisions of regulatory authorities, can adversely impact a portfolio's returns. The regulatory environment for private investment funds is evolving, and changes in the regulation of these funds may adversely affect the value of investments held by a client and the cost of compliance with applicable regulations.

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Firm may engage. Such institutions should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in a particular strategy is appropriate.



Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject a client account to loss. Also, such a suspension could render it impossible for the Firm to liquidate positions and thereby expose the client account to potential losses relating thereto.

Limited Regulatory Oversight. Although the Firm is registered as an investment adviser with the SEC, neither Firm nor its affiliates is registered as a commodity pool operator under the Commodity Exchange Act, as amended. Consequently, investors will not benefit from oversight by the Commodity Futures Trading Commission. Likewise, no Ibex Fund is registered as an “investment company” under the Company Act, in reliance upon an exemption available to privately offered investment companies. Accordingly, the protections of that act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the adviser and the investment company) will not be afforded to any Ibex Fund or the investors.

Tax Risks. There can be no assurance that the structure of any Ibex Fund will be tax efficient for any particular investor or that any particular tax result will be achieved.

Israeli Tax Risk. Gains realized by a strategy upon a disposition of assets deemed to be located in Israel, or possibly by investors upon the disposition of interests in an Ibex Fund, generally would be taxable in Israel, absent an applicable tax treaty or a ruling from the Israel Tax Authority (“ITA”) providing otherwise. In connection with the establishment of the Ibex Funds focused on Israel, the Firm applied and obtained a pre-ruling with respect to the taxation in Israel of the Ibex Funds and its investors (the “Tax Ruling”). The Tax Ruling may provide an exemption or reduced tax rate on gains derived by the non-Israeli investors from the Ibex Fund’s investments in the securities of Israeli and Israeli-related companies.

In general, tax laws, rules and procedures are extremely complex and are subject to change, which in some cases may have retroactive effect. Accordingly, each investor is urged to consult his, her or its own tax adviser regarding the applicability, effects and implications of Israeli and other tax laws with respect to the purchase and holding of an interest in an Ibex Fund, including with respect to the applicability of the Tax Ruling.

Risks Related to Investing in Ibex Funds Generally

Reliance on Justin B. Borus. The Firm’s success will depend to a great extent on the ability of Mr. Borus and the Firm’s investment team to select investments. The death or incapacity of Mr. Borus, or any event that causes Mr. Borus to cease to act as the Chief Investment Officer of the Firm could have a material adverse effect on the Firm and the client accounts.

Master-Feeder Structures. In certain strategies the “master-feeder” fund structure presents certain risks to investors. For example, an Ibex Fund may be materially affected by the actions of a large feeder fund investing in the Ibex Fund, and the actions of the investors in such fund. For example, if a large feeder fund makes a withdrawal from an Ibex Fund, the Ibex Fund may experience higher pro rata operating expenses, thereby producing lower returns.



Limited Operating History. Most of the Ibex Funds have a limited operating history upon which investors can project the performance of the fund. Investors must be prepared to lose all of their investment and should not rely upon the past performance in making an investment decision.

No Requirement for Written Consent. A number of actions may be taken under the Ibex Fund Governing Documents with the consent or approval of investors holding in excess of 50% of the capital accounts of all of the investors. The Governing Documents generally permit “negative assents” and do not require an investor to expressly or affirmatively approve a particular action in writing.

Decision-Making Authority. Investors will have no authority to make decisions or to exercise business discretion on behalf of an Ibex Fund, except as set forth in the Governing Documents. In general, the investors will not make decisions with respect to the management, disposition or other realization of any investment made by the Ibex Fund, or other decisions regarding the Ibex Fund’s business and affairs.

Lack of Registration. The Ibex Fund interests have neither been registered under the Securities Act nor under the securities laws of any state and, therefore, are subject to transfer restrictions. In connection with an investor’s purchase of an interest, the investor must represent that it is purchasing the interest for investment purposes only and not with a view toward resale or distribution. Neither the Firm, an Ibex Fund nor the general partner has any plans or assumed any obligation to register the interests. Accordingly, the interests may not be transferred without documentation acceptable to the general partner, which may include an opinion of counsel to the Ibex Fund that the transfer will not involve a violation of the registration requirements of the Securities Act or require registration by the Ibex under the Investment Company Act. These restrictions on transfer are in addition to those found in the Governing Documents of an Ibex Fund. Ordinarily, this means that transfers will be restricted to instances of death, gift or passage by operation of law.

Limited Liquidity of Interests. An investment in an Ibex Fund involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for the interests in an Ibex Fund, and no market is expected to develop. Additionally, transfers are subject to the consent of the general partner, which consent may be granted or withheld in the general partner’s sole discretion. Consequently, investors will be unable to liquidate their interests except by withdrawing from the Ibex Fund in accordance with the Governing Documents. Investors may be unable to liquidate their investment promptly in the event of an emergency or for any other reason. Although an investor may attempt to increase its liquidity by borrowing from a bank or other institution, interests may not readily be accepted as collateral for a loan. In addition, the transfer of an interest as collateral or otherwise to achieve liquidity may result in adverse tax consequences to the transferor.

A portion of an Ibex Fund’s assets may be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under federal or state securities laws. Because of the absence of any trading market for these investments, the Ibex Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid by the Ibex Fund. Further, companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.



Concentration of Investments. The Governing Documents of the Ibex Funds do not formally limit the amount of the fund's assets that may be invested in a single company, security, industry, sector or asset class. The concentration of the portfolio in any manner described above would subject the Partnership to a greater degree of risk with respect to the failure of one or a few investments, or with respect to economic downturns in relation to an individual industry or sector, or single company, security, industry, sector or asset class.

Operating Deficits. The expenses of operating an Ibex Fund (including the management fee) may exceed its income, thereby requiring that the difference be paid out of the Ibex Fund's capital, reducing the Ibex Fund's investments and potential for profitability.

Distributions. Depending on the Ibex Fund, the general partner does not generally intend to make distributions of income and gain to the investors except as otherwise required in the Governing Documents; however, in certain circumstances, the general partner, in its sole discretion, may make such distributions instead of reinvesting such amounts. Cash that might otherwise be available for distribution will also be reduced by payment of fund obligations, payment of fund expenses (including fees payable and expense reimbursements to the general partner) and establishment of appropriate reserves.

Investment Expenses. The investment expenses (e.g., expenses related to the investment and custody of the Ibex Fund's assets, such as brokerage commissions, custodial fees and other trading and investment charges and fees) as well as other Ibex Fund fees may, in the aggregate, constitute a high percentage relative to other investment entities. The Ibex Fund will bear these costs regardless of its profitability.

Incentive Fees. Incentive Fees create an incentive for the Firm to effect transactions in investments that are riskier or more speculative than would be the case in the absence of such a fee. Additionally, because in some circumstances the fee is calculated on a basis that includes unrealized appreciation of the Ibex Fund's assets, such allocation may be greater than if it were based solely on realized gains.

In addition, federal tax legislation provides that capital gains realized by the Ibex Fund that are allocated to the general partner pursuant to its right to the incentive allocation share of such gain will not be entitled to be treated as long-term capital gain (taxed at preferential tax rates) by the general partner unless the Ibex Fund's holding period for the capital asset sold exceeded three years (instead of the regular more than one year holding period). This change in federal income tax law (which only applies to holders of a carried interest (such as the right to receive the incentive allocation)) may provide an incentive to the general partner to delay the sale or other disposition of certain investment assets that have been held for more than one but less than three years in an effort to minimize the amount of federal income tax imposed on the general partner's incentive allocation.

Delayed Schedule K-1s. The general partner will endeavor to provide a Schedule K-1 to each investor for any given calendar year prior to April 15 of the following year. In the event that the Schedule K-1 is not available by such date, an investor may have to request an extension of time to file and/or may have to pay taxes based on an estimated amount.

Lack of Insurance. The assets of an Ibex Fund are not insured by any government or private insurer, except to the extent portions may be deposited in bank accounts insured by the United States Federal Deposit Insurance Corporation or with brokers insured by the Securities Investor Protection



Corporation and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, the Ibex Fund may be unable to recover all of its funds or the value of its securities so deposited.

Risks Related to Conflicts of Interest

Investment and Transaction Opportunities. Conflicts of interest could arise in connection with securities transactions for the accounts of an Ibex Fund, other investment vehicles the Firm and its affiliates are currently or may in the future be involved in and any other advisory clients. These transactions could differ in substance, timing, and amount, due to, among other things, differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities to a particular Ibex Fund or other clients, or to limitations on the availability of particular investment or transactional opportunities. The Firm and its affiliates will allocate transactions and opportunities among its various client accounts in a manner it believes to be as equitable as feasible, considering each account's objectives, programs, limitations, and capital available for investment. Nonetheless, all accounts may not necessarily be invested in the same securities. The Firm and its affiliates also have no obligation to provide an Ibex Fund or any other account with any particular investment opportunity or to refrain from taking advantage of an investment opportunity that could be beneficial to an Ibex Fund or other account. If an Ibex Fund and other investment portfolios the Firm may in the future manage, including other private investment funds, seek to buy or sell the same security at the same time, the Firm may combine purchase and sale orders on behalf of the accounts, with orders for those other portfolios, and allocate the securities or proceeds arising out of those transactions (and the related transactions expenses) on an average price basis among the various participants in the transactions. While the Firm believes that combining transaction orders in this way is, over time, advantageous to all participants, in particular cases the average price could be less advantageous to any particular account than if the account had been the only account effecting the transaction or had completed its transaction before the other participants.

There may be circumstances in which transactions will not be combined with those of other accounts the Firm may in the future manage even if such aggregation may be advantageous to a client. This may be because the level of such person's financial interest in those other accounts may raise questions as to the appropriateness of such aggregation under ERISA. Or it may be because, for those other clients (which are not subject to restrictions imposed by ERISA), the Firm has selected the broker-dealer, in part, in recognition of benefits those broker-dealers have provided or are willing to the Firm. This may result in an account obtaining less favorable execution than that obtained by such other clients.

Time Demands. The Firm and the portfolio managers are required to exercise their best judgment in the management of an accounts investments and to use their best efforts to carry out the investment objectives of an account. However, the Firm and the portfolio managers are required to devote to any account only such time as they deem necessary to conduct its services in an appropriate manner, and are not required to spend their full time on any particular client's investment activities. The Firm and the portfolio managers manage other accounts and portfolios and devote substantial time, attention and resources to such accounts and portfolios.

Waivers and Modifications. Pursuant to the Governing Documents of various Ibex Funds, the general partner has the authority and discretion to waive, alter or otherwise modify many of the requirements generally applicable to the investors. For example, the general partner may with respect to certain investors waive or alter the incentive fee, the management fee, minimum investment



amounts, capital withdrawal requirements, special rights with respect to future contributions and future investments, or offer additional and/or specialized reporting or information about the Ibex Fund. These waivers or modifications are made pursuant to side letters between the Ibex Fund and the investors involved. The general partner enters into these side letters when it believes that doing so does not otherwise contravene applicable laws, regulations and the general partner's responsibilities to the Ibex Fund.

Brokerage Practices and Transaction Execution. The Firm may receive non-monetary benefits from broker-dealers who effect transactions for investment advisory clients, including acting as counterparties to derivatives contracts. These may take the form of investment research or research materials or equipment used in the management of all the Firm's client accounts, referrals of potential investors or potential clients, and other services that benefit the Firm rather than the client. Such benefits create an incentive for the Firm to select broker-dealers to perform transactional services for the Firm in connection with trades an account executes directly on the basis of the benefits provided to the Firm rather than solely on the quality of the transactional services and the price charged to the client.

Valuation of Assets. An Ibex Fund's administrator will calculate the net asset value of the Ibex Fund in such manner as it deems fair and reasonable. In making valuation determinations, the administrator may use particular pricing services, brokers, market makers or other intermediaries as it will determine. In addition, non-publicly traded assets and illiquid investments will be valued by the Firm in its discretion in accordance with its internal valuation policies and procedures. The Firm may amend or replace those policies, or deviate from them, in its sole discretion. The Firm has a conflict of interest in that it will receive a higher management fee, and its affiliate, the general partner, will receive a higher incentive allocation, if the Ibex Fund's assets are given a favorable valuation.

"Fair Value" Determination. The Firm will determine the fair value of illiquid investments for all purposes, including fixing the management fee. Although the Firm will adhere to its own internal fair value policies and procedures for this purpose, there will be subjective judgment implicit in the process, and the Firm is not required to seek any third-party appraisals of its fair value determination with respect to any security or the policies it follows with respect to determining fair value. In making the determination, the Firm has an inherent conflict of interest in that the higher the value, the higher the management fee. Additionally, higher valuations could be used to show better performance. This could result in an investor ultimately receiving less withdrawal proceeds upon such investor's withdrawal from an Ibex Fund.

Diverse Investors. The investors in an Ibex Fund may include taxable and tax-exempt entities and persons or entities resident of or organized in various jurisdictions. As a result, conflicts of interest may arise in connection with decisions made by Ibex that may be more beneficial for one type of investor than for another. In making such decisions, Ibex intends to consider the investment objective of the particular Ibex Fund as a whole and not the investor objectives of any investor individually.

Transaction and Other Fees. Ibex or its affiliates may earn director, administration, transaction, commitment, break-up, advisory, servicing, monitoring fees or similar fees with respect to any Ibex Fund investment for providing such expertise and/or services.



Fee-Sharing Relationship. Ibex or its affiliates may enter into fee sharing arrangements with third-party placement agents who refer investors to an Ibex Fund. Such placement agents may have a conflict of interest in advising prospective investors whether to purchase interests in an Ibex Fund.

Performance Fees. The existence of a performance fee in an Ibex Fund could be viewed as an incentive for Ibex, or an affiliate, to make or recommend riskier or more speculative investments for an Ibex Fund than would be the case in the absence of such incentive compensation.

Personal Investments by Ibex and Affiliates. Ibex and its affiliates may make investments for their own accounts. In these account, any such persons may use investment methods that are similar to, or substantially different from, the methods used by them to direct an Ibex Fund account.

Item 9. Disciplinary Information

In September 2014, the Firm entered into a negotiated settlement with the SEC relating to alleged violations (i.e., late filings) of Sections 13(d) and 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rules 13d-1, 13d-2 and 16a-3 promulgated thereunder. The Firm agreed to the terms of the settlement, without admitting or denying any wrongdoing, and paid a civil money penalty in the amount of \$60,000. The SEC’s Order notes that, in determining to accept the offer, the SEC considered certain remedial acts undertaken by the Firm and cooperation afforded to SEC staff. The Firm has since put in place further policies and procedures to protect against future inadvertent Section 13 and Section 16 violations.

Item 10. Other Financial Industry Activities and Affiliations

Certain Ibex Funds are formed as limited partnerships and as such require a general partner. As of December 31, 2020, and depending on the Ibex Fund, either the Firm, Ibex GP LLC or Ibex Israel VC GP LLC, Colorado limited liability companies and affiliates of the Firm, serve as general partners. The principals of Ibex are also the principals of Ibex GP LLC and Ibex Israel VC GP LLC. As discussed in Item 5 and 6, this relationship and the Performance Fee to which the Firm or the affiliated general partners are entitled to receive, creates an incentive for Ibex to make investments that are riskier or more speculative than would be the case in the absence of performance-based compensation. Such conflict of interest is addressed as set forth in Items 5 and 6 above.

Item 11. Code of Ethics, Participation or Interests in Client Transaction and Personal Trading

The Firm and its employees are permitted to buy or sell securities for their own accounts that the Firm also purchases or sells for clients, consistent with the Firm’s policies and procedures. Additionally, the Firm and certain of its employees have a financial interest in the Ibex Funds through a performance-based fee, allocation, carried interest and/or direct investment. To address potential conflicts of interest, the Firm has adopted a Code of Ethics (the “Code”) that obligates the Firm and its employees to put the interests of the Firm’s clients before its own interest and to act honestly and fairly in all respects in its dealings with clients. All employees are also required to comply with applicable federal securities laws. Clients, prospective clients and Investors may obtain a copy of the Code by contacting the Firm’s Chief Compliance Officer by telephone at (303) 500-8821, by email at compliance@ibexinvestors.com, or by sending a written request to Ibex Investors LLC, Attention: Chief Compliance Officer, 260 North Josephine Street, Suite 300, Denver, Colorado 80206.



The Code sets forth the standards of conduct expected of Firm employees and contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm and its employees. The Code also requires that access persons report their personal securities holdings and transactions and obtain pre-approval of specified personal securities transactions from the Chief Compliance Officer. The Chief Compliance Officer may restrict employee trading for any reason, including if: (i) the Firm is in possession of material non-public information about a company; (ii) an employee's trading could present a conflict of interest vis-à-vis a client account or cause a client account to be harmed; or (iii) the employee's trading could be considered improper and/or illegal, as determined by the Chief Compliance Officer.

Subject to applicable regulatory restrictions, senior management and employees of the Firm may choose to personally invest, directly and/or indirectly, in certain Ibex Funds managed by or advised by the Firm. The senior management and employees are not required to keep any minimum investment in any of the Ibex Funds, and the size and nature of the investments changes over time. Investments by the senior management and employees in a particular Ibex Fund could incentivize the senior management and employees to increase or decrease the risk profile of such Ibex Fund.

The Firm and its management persons will devote as much of their time to the activities of each Ibex Fund as they deem necessary and appropriate. The Firm and its management persons are not restricted from forming and advising additional pooled investment vehicles, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities involve substantial time and resources of the Firm and its management persons. These activities could be viewed as creating a conflict of interest in that the time and effort of the Firm and its management persons will not be devoted to the business of specific Ibex Funds but will be allocated among the business of all of the Firm's clients.

Item 12. Brokerage Practices

We have adopted the following policies and practices to meet the Firm's fiduciary responsibilities and to ensure our trading practices are fair to all clients and that, except where noted below, no client is advantaged or disadvantaged over any other.

Best Execution

The following policies apply to transaction costs, whether related to equity, fixed income, derivative or currency transactions, and whether in the form of a commission, spread or other compensation, relating to portfolio transactions for client accounts.

The Firm's overriding objective in effecting portfolio transactions is to seek best execution for its clients' securities transactions. It is not necessary to select the broker offering the lowest commission rate. The Firm may cause a client account to pay a broker a commission in excess of that which another broker might have charged for effecting the same transaction in recognition of the value of the brokerage and other services provided by the broker. The Firm should seek to obtain the most favorable terms reasonably available under the circumstances by taking into consideration the following qualitative and quantitative factors: research; liquidity/pricing; price and commission rate; transactional considerations; reliability/responsiveness; financial stability; and regulatory history and industry reputation. All of the foregoing procedures cannot be rigidly applied to every trade. Rather the Firm should assess these procedures in the context of each trade and apply them appropriately. In



certain cases, the circumstances of a trade may dictate the type of broker used for execution. For example, depending on the size or type of transaction, some brokers may offer lower commission rates, but be unable to provide the same level of liquidity or quality of execution as full-service brokers. In unique transactions, other criteria may influence a Firm's decision to use a certain broker.

The factors above, among other factors, are monitored by the Firm. Based upon all factors considered, the Firm is responsible for making a good faith determination that the allocation of brokerage and commissions paid are reasonable in relation to the value of the brokerage and research services provided by brokers that are used to execute trades for the Firm's clients. The Firm reviews trading activity to monitor brokers utilized to effect client transactions, as well as to assess the Firm's ongoing best execution obligation to its clients.

Soft Dollars

In the event that the Firm utilizes soft dollars, it will do so solely to pay for products or services that qualify as "research and brokerage services" within the meaning of Section 28(e) of the Exchange Act.

Section 28(e) of the Exchange Act provides a "safe harbor" to investment advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to such investment advisers in the performance of investment decision-making responsibilities. The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by such investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties. Research services furnished by brokers may include (but are not limited to) written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. To monitor the Firm's use of research and brokerage products and services, all requests for research or brokerage products or services require approval from the Chief Operating Officer and the Chief Compliance Officer.

Aggregation and Allocation

As a matter of policy, the Firm's allocation procedures must be fair and equitable to all clients with no particular client(s) being favored or disfavored over any other clients. The Firm will allocate investment opportunities in a fair and equitable manner and not based upon account performance, applicable fee structures or other conflicts of interest that may give rise to preferential treatment. The Firm will avoid any action that could result in an unfair or inequitable disadvantage to any client account.

The Firm's obligation is to treat all client accounts fairly, but not necessarily identically. Allocation decisions will be based on a consideration of matters such as portfolio composition and investment objectives of a particular client account. Allocation decisions should not be based on a consideration of such matters as fee arrangements, or relationships to an employee of the Firm. All trade allocation and aggregation activities are reviewed by the Chief Investment Officer or President.



When possible, the Firm will execute transactions on an aggregated basis if it believes that to do so will allow it to obtain best execution and to negotiate more favorable commission rates or other transaction costs that might have otherwise been paid had such orders been placed independently. When aggregating orders, all client accounts will be treated in a fair and equitable manner. The following procedures will apply to all aggregated transactions:

- **Obtain Best Execution.** The Firm will not aggregate orders unless aggregation is consistent with our duty to obtain best execution and the terms of the investment guidelines and restrictions of each client account for which trades are being aggregated.
- **Fair Treatment.** No client account will be favored over any other account; each account that participates in an aggregated order will participate at the average price for all transactions in that security on a given business day, with transaction costs allocated pro rata unless otherwise determine in the discretion of the Firm.
- **Safeguarding Fund Assets.** Each account's assets will be deposited with one or more custodians, and the account's assets will not be held collectively any longer than is necessary to settle the purchase or sale in question; cash or securities held collectively for the client will be delivered to the custodian as soon as practicable following settlement.

The Firm's Chief Investment Officer and President, along with other members of each strategy's investment committee, which includes the strategy specific portfolio managers, are responsible for selecting investments on behalf of the client accounts. Once they determine that a particular security or other instrument should be purchased or sold for the account, the portfolio managers are responsible for determining the availability of the particular investment and allocating the investment among participating accounts in consultation with the Chief Investment Officer and President.

Employees of the Firm may not engage in principal transactions between a personal account (including the account of a family member) and any client account. An employee may not cause one client account to sell a security to another client account in a cross transaction if any employee or other affiliate of the Firm will receive any compensation from any source for acting as broker.

If the Firm elects to engage in cross trading, it will only engage in cross transactions (causing one client account to buy or sell securities from or to another client account) when the transaction is in the interests of, and consistent with the investment objectives and policies of, both accounts involved in the transaction. If a cross transaction is considered, it is the Firm's policy to effect all cross transactions in an equitable and fair manner for all clients involved.

No brokerage commission, fee (except for customary transfer fees) or other remuneration shall be paid in connection with any cross transactions between client accounts.

Item 13. Review of Accounts

The client accounts managed by the Firm are reviewed on a continual basis by the portfolio manager of the particular account along with the Chief Investment Officer, President and the other members of the investment committee for each strategy to assure conformity with investment objectives and guidelines. The investment committee for each strategy is composed of the investment professionals and portfolio managers for each respective strategy. More extensive review of particular securities in



an account may be performed on a daily or weekly basis depending upon the nature of the investment and the status of various factors that are used by us to monitor, rebalance and effect transactions in the accounts.

The Firm provides Investors with account statements, market commentary, performance information, and annual audited financial statements for the applicable Ibex Fund. The frequency of reporting varies depending upon the Ibex Fund and the applicable Ibex Fund Governing Documents. Any separately managed accounts and sub-advisory relationships will receive reporting and further information as set forth in the applicable management agreement governing the relationship.

Item 14. Client Referrals and Other Compensation

As discussed in Item 12, the Firm may receive research or services from broker-dealers through a soft-dollar arrangement. Please see Item 12 for full disclosure.

With respect to one or more of the Ibex Funds, the Firm may enter into arrangements with placement agents pursuant to which the placement agents will be compensated by the Firm based on a percentage of the fees received by the Firm from Investors that the placement agents are responsible for introducing to the Firm. The fees paid to the placement agent do not result in an increase in fees paid by Investors and no Investor pays fees directly to the placement agent. The Firm requires that all placement agents be properly registered with all relevant regulatory bodies as may be required, including the SEC and FINRA, if applicable, and comply with all applicable laws.

Item 15. Custody

All client accounts and assets are held in custody by unaffiliated broker/dealers or banks. However, the Firm or an affiliated general partner is deemed to have custody of each of the Ibex Funds in its role as the general partner of each Ibex Fund or because a Firm principal serves as a director of a particular Ibex Fund even though the Firm does not physically hold the securities and other assets of the Ibex Funds, except consistent with certain regulatory guidance regarding private stock certificates in certain limited circumstances. A qualified custodian serves as the custodian of the securities and uninvested cash of each of the Ibex Funds, which securities and cash are held directly by the custodian in a segregated account in the name of the applicable Ibex Fund. In addition, the Firm utilizes unaffiliated administrators to provide certain financial, accounting, administrative and other services on behalf of the Ibex Funds, including disbursing payment of Ibex Fund expenses, maintaining a registry for the ownership and transfer of Ibex Fund interests, maintaining the books and records of the Ibex Funds, coordinating with the auditors for the audit of the books and records and preparing and distributing reports to each Investor. The Firm encourages all clients and Investors to carefully review all statements and reports provided to them in connection with their investment.

The books and records of each Ibex Fund are audited at the end of each fiscal year by a firm of independent certified public accountants registered with the Public Company Accounting Oversight Board. Investors are furnished with audited year-end financial statements prepared in accordance with generally accepted accounting principles within 120 days of year-end. Investors are also furnished with other periodic information concerning their investment in an Ibex Fund as set forth above in Item 13. In the event of a liquidation of an Ibex Fund, each Investor will receive a final liquidation audit report prepared in accordance with generally accepted accounting principles.



Item 16. Investment Discretion

Prior to assuming full discretion in managing a client's assets, Ibex enters into an investment management agreement or other agreement that sets forth the scope of Ibex's discretion. As investment adviser to the Ibex Funds, and pursuant to each Ibex Fund's Governing Documents or investment management agreement, the Firm has full discretion with respect to securities transactions affected for the Ibex Funds and exercises its investment discretion consistent with each of the Ibex Fund's respective investment strategies as set forth in the applicable Governing Documents. The Firm has the authority to determine (i) the securities to be purchased and sold for an Ibex Fund, and (ii) the amount of securities to be purchased or sold for an Ibex Fund.

Item 17. Voting Client Securities

The Firm has established policies and procedures to address voting procedures and any conflicts of interests involved in a proxy vote between the Firm and a client. The Firm's proxy voting procedures are designed to ensure that proxies are voted in a manner that is in the best interest of the client. The Firm will generally vote in favor of matters that follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or present compensation plans that are commensurate with enhanced manager performance and market practices. While proxy voting on all issues presented should be considered, voting on all issues is not required. Some issues presented for a proxy vote of security holders are not deemed relevant to the Firm's voting objective, or it is not reasonably possible to ascertain what effect, if any, a vote on a given issue may have on a client's investment. Additionally, the Firm may decide that avoiding further expense and investigation and not voting at all on a presented proposal may be in the best interest of a client. Accordingly, the Firm may abstain from voting in certain circumstances.

Conflicts of interest involved in a proxy vote shall be addressed through a three-step process. The Firm will identify all potential conflicts of interest. The Firm will determine the materiality of conflicts under the federal securities laws. If a material conflict of interest with respect to a particular vote is encountered, the Firm will determine how to vote the proxy consistent with the best interests of a client and in a manner not affected by any conflicts of interest.

The Firm retains records of (i) proxy voting policy and procedures, (ii) proxy statements received for client securities, (iii) records of votes cast on behalf of clients, (iv) written client requests for proxy voting information and written adviser responses to any client request (whether oral or written) for proxy voting information, and (v) any documents prepared by the Firm that were material to making a proxy voting decision or that memorialized the basis for the decision.

The Firm will provide clients with a copy of the Firm's proxy voting policy upon request. Questions related to the policy, the proxy voting process and/or information regarding how the Firm voted proxies relating to the client's portfolio securities may be obtained by clients, free of charge, by contacting the Chief Compliance Officer at compliance@ibexinvestors.com.



Item 18. Financial Information

The Firm is not required to provide a balance sheet in response to this item and is not subject to any financial condition that is reasonably likely to impair its ability to meet its financial obligations to its clients.



Privacy Policy

This privacy policy explains the manner in which the Firm collects, utilizes and maintains nonpublic personal information about the Firm's clients and Investors, as required under federal legislation. This privacy policy only applies to nonpublic information of clients and Investors who are individuals (not entities).

The Firm collects personal information about its clients and Investors mainly through the following sources:

- Subscription forms, investor questionnaires and other information provided by the client or Investor in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications; and
- Transactions within the Firm, including account balances, investments and withdrawals.

The Firm does not sell or rent client or Investor information. The Firm does not disclose nonpublic personal information about its clients or Investors to nonaffiliated third parties or to affiliated entities, except as permitted by law. For example, the Firm may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Firm, which may include attorneys, accountants, administrators, auditors and other professionals. The Firm may also share information in connection with the servicing or processing of Firm transactions;
- To affiliated companies in order to provide clients and Investors with ongoing personal advice and assistance with respect to the products and services purchased through the Firm and to introduce them to other products and services that may be of value to them;
- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of a client or an Investor to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the client or Investor.

The Firm's policy is to require that all employees, financial professionals and companies providing services on its behalf keep client information confidential.

The Firm maintains safeguards that comply with federal standards to protect client or Investor information. The Firm restricts access to the personal and account information of its clients and



Investors to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Firm shares client or Investor information must agree to follow appropriate standards of security and confidentiality.

The Firm's privacy policy applies to both current and former clients and Investors. The Firm may disclose nonpublic personal information about a former client or Investor to the same extent as for a current client or Investor.