

Name of Investor: \_\_\_\_\_

Copy No.: \_\_\_\_\_

---

---

## SYMFONIE ANGEL VENTURES, LP

*a Delaware Limited Partnership*

---

### SUMMARY PRIVATE PLACEMENT INFORMATION MEMORANDUM

---

10 January 2014

*General Partner*  
Symfonie P2P Investments, LLC  
National Corporate Research  
615 South DuPont Hwy  
Dover, DE 19901  
United States of America

This Summary Private Placement Information Memorandum (hereafter “Memorandum”) relates to the Symfonie Angel Ventures (the “Partnership”) and to the **Prague Partners 2013 Class** Partnership Interests in the Partnership (the “Class 2013 Interests”).

The Summary is prepared for convenience purposes only and contains information that is condensed in reference to the complete version of the Private Placement Memorandum, the and the complete Limited Partnership Agreement. Prospective Partners are urged to carefully review the full versions of the documents to which this Summary refers. In case of any ambiguity as to the meaning and interpretation of this document, the full versions of the underlying documents shall prevail.

---

---

**THIS INFORMATION MEMORANDUM CONFIDENTIAL. IT IS NOT INTENDED FOR PUBLIC DISTRIBUTION AND IS NOT AN OFFER TO SELL OR SOLICIT AN OFFER TO BUY THE PARTNERSHIP INTERESTS DESCRIBED HEREIN.**

**SUMMARY PRIVATE PLACEMENT INFORMATION MEMORANDUM**

**SYMFONIE ANGEL VENTURES, LP**

Symfonie Angel Ventures, LP (the "Partnership") is a Delaware limited partnership organized on 15 July, 2013 to operate as a private investment partnership. This Private Placement Memorandum relates to limited partner interests (the "Interests") in the Partnership.

THIS SUMMARY CONFIDENTIAL MEMORANDUM HAS BEEN PREPARED SOLELY FOR INFORMATIONAL PURPOSES AND DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY INTERESTS IN THE PARTNERSHIP.

THERE WILL BE NO PUBLIC OFFERING OF THE INTERESTS. NO OFFER TO SELL (OR SOLICITATION OF AN OFFER TO BUY) IS BEING MADE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

THIS CONFIDENTIAL MEMORANDUM IS ACCURATE AS OF ITS DATE, AND NO REPRESENTATION OR WARRANTY IS MADE AS TO ITS CONTINUED ACCURACY AFTER SUCH DATE.

THE PARTNERSHIP'S INVESTMENT PRACTICES, BY THEIR NATURE, MAY BE CONSIDERED TO INVOLVE A SUBSTANTIAL DEGREE OF RISK.

THE INTERESTS ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS FOR WHOM AN INVESTMENT IN THE PARTNERSHIP DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE PARTNERSHIP'S SPECIALISED INVESTMENT PROGRAM.

THIS CONFIDENTIAL MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE INFORMATION OF THE PERSON TO WHICH IT HAS BEEN DELIVERED BY OR ON BEHALF OF THE PARTNERSHIP, AND SHOULD NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. NOTWITHSTANDING THE FOREGOING, PERSONS (AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF SUCH PERSONS) TO WHOM THIS CONFIDENTIAL MEMORANDUM IS PROVIDED MAY DISCLOSE TO ANY AND ALL OF THEIR PROFESSIONAL ADVISORS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF (A) THE PARTNERSHIP AND (B) ANY TRANSACTIONS DESCRIBED HEREIN, AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER ANALYSES).

INVESTORS CONSIDERING AN INVESTMENT IN THIS PARTNERSHIP SHOULD CAREFULLY READ THIS CONFIDENTIAL MEMORANDUM PRIOR TO INVESTING. HOWEVER, THE CONTENTS OF THIS CONFIDENTIAL MEMORANDUM SHOULD NOT BE CONSIDERED TO BE LEGAL OR TAX ADVICE, AND EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN COUNSEL AND ADVISERS AS TO ALL MATTERS CONCERNING AN INVESTMENT IN THE INTERESTS.

EACH INVESTOR IS INVITED TO CONSULT WITH THE GENERAL PARTNER TO DISCUSS WITH IT, AND TO ASK QUESTIONS AND RECEIVE ANSWERS, CONCERNING THE TERMS

AND CONDITIONS OF THIS OFFERING OF THE INTERESTS, AND TO OBTAIN ANY ADDITIONAL INFORMATION, TO THE EXTENT THE GENERAL PARTNER POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, NECESSARY TO VERIFY THE INFORMATION CONTAINED HEREIN.

EACH INVESTOR ADMITTED INTO THE PARTNERSHIP IS REQUIRED TO REPRESENT THAT IS A QUALIFIED INVESTOR WITHIN THE MEANING OF THE CRITERIA SET FORH IN THIS MEMORANDUM, AND THAT IT IS INVESTING FOR ON ITS OWN BEHALF AS PRINCIPAL WITH NO INTENTION OF SELLING OR TRANSFERING ITS INTEREST IN THE INVESTMENT TO ANY OTHER PERSON.

NO OFFERING LITERATURE OR ADVERTISING IN WHATEVER FORM SHALL BE EMPLOYED IN THE OFFERING OF THE INTERESTS EXCEPT FOR THIS CONFIDENTIAL MEMORANDUM AND STATEMENTS CONTAINED HEREIN. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION, OR GIVE ANY INFORMATION, WITH RESPECT TO THE INTERESTS, EXCEPT THE INFORMATION CONTAINED HEREIN.

THE INTERESTS HAVE NOT BEEN REGISTERED OR APPROVED BY THE UNITED STATED SECURITIES AND EXCHANGE COMMISSION (SEC) OR ANY OTHER REGULATORY BODY IN ANY OTHER JURISIDICATION. THERE IS NO INTENTION OF SEEKING REGISTRATION OR APPROVAL OF THESE PARTNERSHIP INTERESTS. NO REGULATORY AUTHORITY AFFIRMED THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CONFIDENTIAL INFORMATION MEMORANDUM.

THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

\* \* \* \*

**SYMFONIE ANGEL VENTURES, LP**

**DIRECTORY**

**INVESTMENT ADVISOR**

Symfonie Capital, LLC  
c/o National Corporate Research  
615 South DuPont Hwy  
Dover, DE 19901  
United States of America

**GENERAL PARTNER**

Symfonie P2P Investments, LLC  
c/o National Corporate Research  
615 South DuPont Hwy  
Dover, DE 19901  
United States of America

**INFORMATION AGENTS**

Symfonie Capital, Ltd  
16 High Holborn  
London, WC1V 6BX  
United Kingdom  
+44 20 8616 7311  
e-mail: [info@symfoniecapital.com](mailto:info@symfoniecapital.com)

Symfonie Capital Advisors,  
s.r.o  
Klimentska 1216 / 46  
110 00 Praha 1  
Czech Republic  
+420 222 191 008  
e-mail:  
[info@symfoniecapital.com](mailto:info@symfoniecapital.com)

CQK Holdings  
Na Pankraci 1062 / 58  
140 00 Praha 4  
Czech Republic  
+420 246 033 801  
e-mail:  
[rombova@cqkinvest.com](mailto:rombova@cqkinvest.com)

**INVESTMENT COMMITTEE MEMBERS AT THE INVESTMENT ADVISOR**

Pavel Kohout  
[Pavel.Kohout@gmail.com](mailto:Pavel.Kohout@gmail.com)

Michal Pajr  
[Pajr@cqkholding.com](mailto:Pajr@cqkholding.com)

Jitka Rombova  
[Rombova@cqkinvest.com](mailto:Rombova@cqkinvest.com)

Michael A. Sonenshine, CFA  
[msonenshine@symfoniecapital.com](mailto:msonenshine@symfoniecapital.com)

**PARTNERSHIP ACCOUNTANT  
AND TAX PREPARER**

Michael J. Liccar & Co  
Certified Public Accountants  
231 South LaSalle Street  
Suite 650  
Chicago, IL 60604  
United States of America

**LEGAL ADVISER TO THE  
GENERAL PARTNER**

Cross & Simon, LLC  
913 N. Market Street  
Wilmington, DE 19899  
United States of America

## **SYMFONIE ANGEL VENTURES, LP**

### **SUMMARY OF TERMS**

The following is a summary of the principal terms of Symfonie Angel Ventures, LP (the "Partnership"). The summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Confidential Memorandum and by the Terms and Conditions of the Limited Partnership Agreement (the "Partnership Agreement") of the Partnership, which should be read carefully by any prospective investor.

#### **The Partnership**

The Partnership is a Delaware limited partnership organized on 15 July 2013 to operate as a private investment partnership. The Limited Partners are individually collectively referred to herein as "Partner" or "Partners" as the case may be.

The Partnership may establish various Classes of Partnership Interests (similar to sub-partnerships). Terms and Conditions and the investments made in respect of each Class may vary. Investors putting capital into the Partnership must specify the Class of Partnership Interests to which they wish to subscribe.

#### **Investment Program:**

The objective of the Partnership is to achieve capital gains and income by making equity investments and loans to startup and early stage companies.

Money subscribed to the Partnership in respect of the Prague 2013 Class Interests will generally be invested in companies that either are based in Central Europe or derive a substantial portion of their earnings from Central Europe.

The Partnership's income is expected to consist almost entirely of capital gains arising from the eventual sale of its equity investments.

**Investments in startup and early stage companies are inherently risky. There can be no assurance the Partnership will achieve its investment objectives in part or in whole. Investors in the Partnership may suffer loss of part or all of their investment in the Partnership. Certain investment practices to be employed by the Partnership can, in some circumstances, substantially increase any adverse impact on the Partnership investment portfolio. (See "Investment Program" and "Certain Risk Factors.")**

**Management:**

Symfonie Capital P2P Investments, LLC (the "General Partner"), a limited liability company established under the laws of the State of Delaware, is the General Partner of the Partnership.

Symfonie Capital, LLC (the "Investment Advisor"), a limited liability company formed under the laws of the State of Delaware, is the Investment Advisor will be responsible for selecting the Partnership's investments.

The members of the Investment Committee of the Investment Advisor are:

- Michael Sonenshine (the "Principal")
- Jitka Rombova
- Michal Pajr
- Pavel Kohout

Mr. Sonenshine has more than 20 years of professional experience in the investment management and banking industry and has specialized in credit analysis and credit selection for the past 15 years.

Ms. Rombova has more than twenty years of professional experience in managerial finance and consulting. Ms. Rombova is an owner of CQK Invest, an affiliate of the Sub-Advisor.

Mr. Pajr has more than ten years of professional experience as an entrepreneur and investor, specialising in internet technology and data security systems.

Mr. Kohout has more than 20 of professional experience as an economist and financial analyst. Mr. Kohout is the Head of Strategy and Economic Analysis for Partners Financial Services, a.s., a leading financial advisory firm in the Czech Republic serving more than two hundred thousand clients.

**Initial and Additional  
Capital  
Contributions;  
Admission of New  
Partners:**

New Partners may be admitted to the Partnership on the first Business Day of each month, or at such other times as the General Partner will determine in its sole and absolute discretion.

Admission to the Partnership is made by application. The General Partner may refuse to admit any investor to the Partnership for any reason.

The minimum initial investment is US\$ 100,000 for foreign currency equivalent thereof. The General Partner may, in its sole and absolute discretion, may a less amount of money.

With the consent of the General Partner, Limited Partners may make additional capital contributions of at least \$50,000 subject to the sole and absolute discretion of the General Partner to accept lesser amounts.

Investors wishing to purchase Interests in the Partnership are required to complete the Partnership's Subscription Agreement and the Anti-Money Laundering (AML) Agreement, sign the Partnership Agreement and return their completed documents to Symfonie Capital Advisors, s.r.o. Investments into the Partnership must be fully funded with readily available funds on deposit representing 100% (one hundred percent) of the Partner's investment placed on deposit at the Partnership's specified bank account prior Subscription Day.

The Partnership will under no circumstances accept cash deposits. All investments into the Partnership must be made by bank wire, from a bank account in the name of the subscribing Partner.

The General Partner reserves the right to reject any subscription for a Limited Partner interest ("Interest") for any reason or no reason in its sole and absolute discretion.

The General Partner may, in its sole and absolute discretion, admit any Partner as of the most recent Subscription Day or delay the admittance of any Partner until the next available Subscription Day.

**Subscription Period  
for Class 2013  
Interests**

Subject to the sole and absolute discretion of the General Partner to determine otherwise, the Partnership will accept subscriptions in respect of the Prague 2013 Class Interests through 31 March 2014.

Partners subscribing to the Prague 2013 Class Interests will be allocated their pro-rata share of gains and losses on all investments the Partnership makes in respect of the Prague 2013 Class of Interests.

**Investment Period  
for Class 2013  
Interests**

The Partnership will make investments in respect of the Prague 2013 Class of Partnership Interests for a period of two years commencing 1 July 2013 and ending 30 June 2015. Subject to the sole and absolute discretion of the General Partner to determine an appropriate amount of capital to be held for the purpose of paying the Partnership's expenses, the Partnership will distribute to Partners any uninvested capital no later than 31 December 2016.

**Sales Charges:**

The Partnership will not charge investors a subscription fee. The General Partner will charge an application processing fee, payable to the General Partner, to any incoming investor of up to 1% (one percent) of the amount of money subscribed, subject to an overall maximum of USD 1,000 (one thousand U.S. dollars) or foreign exchange equivalent thereof.

**Fiscal Year:**

The fiscal year of the Partnership will be December 31 of each year. The first fiscal year of the Partnership will end on December 31, 2013.



**Management Fees:** The Prague 2013 Class will pay to the Investment Advisor a monthly management fee, payable in arrears (the "Management Fee"), equal to  $\frac{1}{12}$  (one twelfth) of 2% (two percent) of each Limited Partner's capital account as of the last Business Day of each month.

The General Partner may, in its sole and absolute discretion, elect to reduce, waive or calculate differently the Management Fee with respect to any Limited Partner, including, without limitation, Limited Partners that are affiliates or employees of the General Partner or the Investment Advisor, members of the immediate families of such persons, and trusts or other entities for their benefit or pay a portion of the Management Fee to a third party.

**Organisation and Operating expenses:** Each Class of Partnership Interests will bear its own organisational and operating costs and expenses in addition to its *pro-rata* share of Partnership expenses. Operating expenses include, but are not limited to, transactional expenses, costs associated with research and due diligence on prospective investments, custodial fees, accountancy, tax preparation and audit fees and legal expenses. The General Partner, the Investment Advisor, the Sub-Advisor and affiliates with any of the foregoing may charge the Partnership for services performed associated with conducting research and due diligence in relation to investments the Partnership plans to make or actually makes. Such services will be invoiced on a fully disclosed basis, based on standard commercial terms.

**Allocation of Gains And Losses; Incentive Fee; Hurdle Rate:** At the end of each accounting period of the Partnership, any net income, net capital appreciation or net capital depreciation will be allocated to all Partners (including the General Partner) in proportion to their respective opening capital account balance for such period.

An Incentive Fee will be calculated and accrued in respect of each Partner's capital account at the end of each accounting period of the Partnership.

The Incentive Fee with respect to the Prague 2013 Class of Partnership Interests is equal to 15% (fifteen percent) of net profits over and above a specified rate of return defined as the "Hurdle Rate." The Hurdle Rate is equal to an annualised rate of return of 8% (eight percent) of each Partners' capital contributions to the Partnership.

The General Partner will not withdraw its Incentive Allocation from the Partnership unless it has distributed to the Partners capital at least equal to their original investment, plus the profits on which Incentive Allocation to be withdrawn is based.

The General Partner may, in its sole and absolute discretion, elect to reduce, waive or calculate differently the Incentive Fee with respect to any Limited Partner, including, without limitation, Limited Partners that are affiliates or employees of the General Partner, the Investment Advisor, the Information Agents, members of the immediate families of such persons and trusts or other

entities for their benefit.

In the event that a Limited Partner withdraws all or a portion of its capital account other than at the end of a fiscal period, net capital appreciation or net capital depreciation, as the case may be, allocable to such Limited Partner will be determined through the date of withdrawal and the Incentive Allocation with respect to such Limited Partner's capital account, if any, will be reallocated to the General Partner as set forth above. The General Partner will be entitled to withdraw its Incentive Fee with respect to the capital of any Partner that withdraws from the Partnership.

**Partnership  
Interests Currency  
Hedging**

The Partnership's functional base currency for accounting purposes is the US Dollar.

The General Partner has established several classes of Partnership Interests denominated in currencies other than the USD (hereafter, "Currency Hedged Interests"). In particular, the General Partner has established Currency Hedged Interests in Euro ("EUR"), Czech Koruna ("CZK"), Polish Zloty ("PLN"), Hungarian Forint ("HUF") and Great British Pound ("GBP").

Investors must remit funds in the Currency in which their capital account is to be hedged. For example, Investors subscribing to CZK denominated classes of Partnership Interests must remit funds in CZK. Investors subscribing to EUR denominated classes of Partnership Interests must remit EUR.

The General Partner may enter into hedging transaction so as to reduce the impact of currency fluctuations on the value of Partnership investments versus the relevant currencies in which Partnership Capital Accounts are denominated. Accordingly, Partners' Capital Accounts will be credited/debited with gains and losses of the hedging transactions. All costs and expenses of hedging transactions will be allocated to the Partners holding the relevant class of Partnership Interests.

**There can be no assurance that the hedging procedures, tools and techniques used by the General Partner will be successful.**

**Partners may suffer foreign exchange losses due to changes in the exchange rates of the Partnership's investments versus the currency of the Partner's Capital Account.**

**Principal & Interest  
Distributions**

The Partnership expects to invest a significant amount of its capital in the form of equity. The Partnership does not expect to receive either dividends, capital gains or return of principal for at least three years from the time those investments are made.

The Partnership does not plan to reinvest proceeds from sales of equity investments. The Partnership plans to make distributions annually of at least 90% of the proceeds from sales of equity investments. Additionally, the Partnership plans to distribute annually at least 90% of the proceeds of income

received in the form of dividends from equity investments made.

**Withdrawals:**

**Capital withdrawals are not permitted. Investors will receive distributions of capital only upon the occurrence of a “liquidity event.”**

**A “liquidity event” is defined as the partnership’s receipt of cash proceeds resulting from the sale of equity investments.**

**Investors may request the distribution only of their pro-rata share of realised proceeds from sales of equity investments and realised income from dividends and interest and capital gains on sales of securities, net of the pro-rata share of Partnership expenses.**

**Investors considering an investment in the partnership interests are strongly advised to take into consideration that an investment in the partnership might not be readily realisable into to cash and that various circumstances and events may adversely impact the value of partnership assets and the liquidity thereof and may adversely impact the general partner’s ability to liquidate partnership assets and distribute cash to the partners.**

Each date on which a withdrawal is permitted is referred to as a “Withdrawal Date.” Unless other specified by the General Partner, Withdrawal Dates will be the close of business of each calendar year quarter.

Withdrawals shall be deemed effective immediately following the applicable Withdrawal Date. Payment of withdrawal proceeds generally will be made as soon as possible, but in any event not later than 30 (thirty) days after the Withdrawal Date; *provided, however*, that the General Partner reserves the right to retain up to 10% (ten percent) of the withdrawal proceeds (a “Hold-back”) which will be paid to the withdrawing Limited Partners after the Partnership has sold all its equity investments and received all proceeds in respect of liquidated or maturing investments. The Partnership will not be obliged to pay interest with respect to the hold-back and the Partnership management fees and expenses will accrue in respect of the hold-back until such time as it is paid to the withdrawing partner.

A distribution in respect of a withdrawal may be made in cash or in kind, or in a combination thereof, as determined by the General Partner in its sole and absolute discretion.

The General Partner may suspend withdrawal rights, in whole or in part, among other things, during any period in which, in the sole and absolute opinion of the General Partner, disposal of a substantial portion of investments by the Partnership would not be reasonable or practical. In addition, the General Partner, by written notice to any Limited Partner, may suspend the payment of withdrawal proceeds if the General Partner, in its sole and absolute discretion, deems it necessary to do so to comply with anti-money laundering laws and regulations applicable to the Partnership, the Partnership, the General

Partner, the Investment Advisor, the Investment Advisor or any of the Partnership's service providers. The General Partner may, in its sole and absolute discretion, by written notice to any Limited Partner, require the withdrawal of such Limited Partner at any time, for any reason or no reason. (See "Outline of Partnership Agreement – Withdrawals of – Limitations on Withdrawals" and "Anti-Money Laundering Regulations.")

**Restrictions on Transfer:**

Limited Partners may not sell or pledge their Partnership Interests without the express consent of the General Partner. The General Partner may, in its sole and absolute discretion refuse any request to transfer Partnership Interests at any time and for any reason.

**Taxation:**

The Partnership operates a non-publicly traded Partnership for tax purposes in the U.S. and therefore the Partnership does not pay U.S. federal or state taxes. However, the Partnership will file a tax return in the U.S.

Outside of the U.S. the Partnership operates so as not to create a Permanent Establishment and therefore the Partnership is not a taxable entity in any jurisdiction outside of the U.S.

Income the Partnership earns within the U.S. (i.e. dividend income, capital gains and interest) should not be subject to any withholding tax at the Partnership level. However, the Partnership may be required with withhold tax on distributions of such income it makes to Partners. Tax withheld by the Partnership will be report to the Partners and each Partner may be entitled to claim tax credit on its is own tax returns. The can be no assurance that any Partner will be able to claim the tax credit from its own tax jurisdiction. Each Partner is responsible to make its own determination as to how it should report treats distributions the Partnership makes net of tax withheld at source.

The Partnership may face withholding taxes on some or all of the income it earns outside of the U.S. The Partnership may benefit from tax treaties that enable the Partnership to pay withholding tax at reduced rates or to reclaim tax withheld.

The Partnership will report to its Partners their *pro-rata* of the Partnership's capital gains, income and expenses, taxes withheld and the valuation of their interest in the Partnership.

The Partnership is a pass-through vehicle for purposes of taxation in the U.S. and accordingly, U.S. persons who are subject to U.S. taxes will be required to declare their *pro-rata* share of Partnership.v U.S. Partners may therefore have to pay taxes on income the Partnership reports for tax purposes (i.e. unrealised capital gains or income re-invested by the Partnership) despite the fact they may not have received such income in cash.

Outside of the U.S. tax treatment of an investment in the Partnership will depend on the jurisdiction in which each Partner files its tax returns. Many jurisdictions require investors to report only income the receive from the

Partnership or capital gains they realise upon sale or liquidation of their investment.

The General Partner may, in its sole and absolute discretion, reassign or reallocate income among Partners or otherwise define the nature of Partnership Income strictly for the purposes of tax reporting. However, the General Partner will only take such action if doing so will not violate tax law to which the Partnership is subject.

**Each investor in the Partnership must consult with its own tax advisor as to how to report its investment in the Partnership and any profits or losses it incurs as a result of its investment.**

**Fund Accountant:** The General Partner has selected Michael J. Liccar & Co, Certified Public Accountants (the “Fund Accountant”) to perform administrative and accounting tasks for the Partnership. The Fund Accountant will prepare regular accounting statements for the fund and provide investors with valuation statements of their Partnership Interests. (See – “Fund Administration”). Neither the General Partner, nor the Investment Advisor, nor the persons controlling the General Partners or the Investment Advisor of the affiliates of either thereof have any prior contractual relationship with the Fund Accountant.

**Reports to Limited Partners** Each partner will receive an annual statement prepared by the Fund Accountant. In addition each Partner will receive periodic reports prepared by the General Partner discussing the development of Partnership investments.

**Accountancy and Auditor** Michael J. Liccar & Company (the "Accountant") has been retained to perform administrative and accounting services for the Partnership. The Accountant is a duly qualified and regulated Certified Public Accounting firm. More information about the Accountant can be found at [www.liccar.com](http://www.liccar.com).

The General Partner may, appoint an auditor to perform an annual audit. However, the General Partner may waive the requirement for an audit of the Partnership if it deems waiving an audit would be in the best interest of the Partnership.

**Legal Counsel:** Cross & Simon, LLC has been retained to represent the General Partner, the Investment Management and the Partnership. No counsel has been appointed to represent the individual Limited Partners.

**Regulatory Matters** The Investment Advisor registered with the U.S. Securities and Exchange Commission (SEC) as an Investment Advisor under the Investment Advisors Act of 1940.

The Partnership is not registered with the SEC as an Investment Company under the U.S. Investment Company Act of 1940 because the Partnership relies on status within the Investment Company Act that entitle the Partnership

to an exemption from registration.

The Investment Advisor has registered the Partnership with the SEC as a Private Equity Fund. The Partnership was assigned Private Fund Number 805-1675126653.

**Suitability:**

Investment in the Partnership is suitable only for investors who understand the risky nature of the investments the Partnership will make and who are willing bear the risk the full amount of their investment in the Partnership may be lost, that they might not realize income or profits from their investment for several years and that they might not be able to liquidate their investment in the Partnership.

Investors in the Partnership must be willing to accept the risk that the Partnership might not make distributions of capital for several years

Investment in the Partnership does not by itself represent an complete investment plan and should represent only a portion of an investor's overall investment portfolio.

Investors are advised to consult with independent qualified investment professionals prior to investing in the Partnership.

**Risk Factors:**

**The investment program of the Partnership is speculative and entails substantial risks. There can be no assurance that the investment objective of the Partnership will be achieved and that investors will not incur losses. The risks include, but are not limited to, the following:**

- Investments the Partnership makes can generate losses. The Partnership can lose the full amount of the capital it invests.
- Economic downturns and general market volatility can negatively impact the value of the Partnership's investments.
- There can be no assurance the Partnership's investments will have a low correlation to a traditional securities portfolio or to other investments generally speaking.
- Poor or fraudulent corporate governance may adversely impact investments the Partnership makes.
- The Partnership may have minority stakes in companies in which it invests and might not be able to exercise its influence and control.
- The companies the Partnership invests in may be small and the success of the companies may depend upon a few key individuals.
- Changes and local law and regulations may adversely impact the investments the Partnership makes.

- The Partnership might not be able to exercise legal rights to protect its investments.
- Changes in the regulatory or legal environment may adversely impact investments the Partnership makes.
- The Partnership might not find enough investment opportunities.
- The Partnership might not be able to diversify its investments.
- The Investment Advisor may fail to identify and select good investments.
- No secondary market for the Interests in the Partnerships exists or is expected to exist.
- The sale and transfer of Partnership Interests is restricted. Investors cannot transfer their Partnership Interests without the consent of the General Partner.
- Capital withdrawals from the Partnership are not permitted. Investors can only receive capital distributions only upon the occurrence of a Liquidity Event or in case the Partnership generates income.
- The Partnership might have to hold its investments for several years before being able to sell the investments.
- Investments in fixed income investments the Partnership might make are subject to credit risk, liquidity risk and interest rate risk.
- The securities in which the Partnership invests might be illiquid.
- The failure of a bank or securities broker where the Partnership or the companies in which its invests holds funds may adversely impact the Partnership investments.
- Private equity markets can be negatively impacted in the event of an economic contraction or a downturn in public equity markets.
- Investments in private equity and debt securities carry the risks of reduced financial, legal and regulatory protections compared with investments in traditional securities.
- It may be difficult to accurately place a value on the Partnership's investment portfolio for accounting and tax purposes.
- Partners may incur losses due to adverse impact of exchange rates between the currencies in which Partnership investments are

denominated versus the currency of Partners' capital accounts.

- There can be no assurance that hedging techniques the Investment Advisor may use to mitigate risks such as currency risk, market risk and interest rate risk will be successful or will not generate losses.
- Auditing, accounting and financial practices in the businesses in which the Partnership investments may be poor and may negatively impact the value of the Partnership's investments.
- The General Partner and the Investment Advisor have a limited operating history pursuing the investment strategy and business of the Partnership.
- The success of the Partnership depends on the ability of the Investment Committee to select good investments. If certain members of the Investment Committee were to become unable or unwilling to participate in management of the Partnership there could be a material adverse impact on the value of the Partnership's investments.
- The Incentive Fee structure may create an incentive for the Investment Advisor to make investments that are more risky that would be the case without an incentive fee.
- The Partnership is not subject to certain regulatory requirements that otherwise might protect investors if the Partnership were required to register as an Investment Company under the U.S. Investment Company Act of 1940.
- Changes in taxation rule in the U.S. and in the jurisdictions where the Partnership invests can negatively impact the value of the Partnership's investments.
- There can be no assurance Partners will be able to reclaim taxes withheld in the various jurisdictions where the Partnership invests.
- Changes in tax laws governing investors in the Partnership can adversely impact the value of their investments or the net return to the Partners.
- Tax reporting requirements may cause Partners to pay tax on unrealized income rather than on actual cash income.
- Certain expense items in the Partnership accounts might not be deductible for tax purposes.
- The General Partner may hold back part of the withdrawal proceeds



due to Partners pending finalisation of Partnership accounts.

- Partners' legal recourse to the Investment Advisor and to other providers of services to the Partnership is limited due to indemnification provisions in the service agreements.
- All power to make decisions for the Partnership is vested in the hands of the General Partner and Limited Partners have no right to participate in the management of the Partnership's affairs.
- The legal counsel to the Partnership was selected by the General Partner and does not represent the individual Limited Partners.
- Limited Partners are not liable to the Partnership nor to each other any amount of money other than the amount of money they contributed to the Partnership.
- The Partnership's service providers are indemnified from damages to the Partnership arising from their actions except in the event of their own bad faith, negligence or fraudulent activities.
- Terrorist acts can create disruptions in global markets that can adversely impact the value of Partnership Investments.
- Certain inherent conflicts of interest arise from the fact that the General Partner, the Investment Advisor and their affiliates may perform ancillary services to the Partnerships or may perform services for other clients that are investing the same or similar securities as that of the Partnership.