

I. Risk Factors

Prospective Investors should carefully consider the following risk factors, together with all other information set forth in this Memorandum, before deciding to subscribe for Interests. The following risks are not exhaustive, and additional risks not presently known or deemed immaterial may also impact the Fund.

GENERAL INVESTMENT RISKS

Forward-Looking Information

This Memorandum contains forward-looking statements relating to the Fund's operations and performance, as well as the anticipated performance of the Portfolio Company and, by extension, the underlying investment in Perplexity AI. These statements involve known and unknown risks, uncertainties, and assumptions that may cause actual outcomes to differ materially from those expressed or implied. Forward-looking statements include, but are not limited to, projections regarding performance, plans, expectations, beliefs, and intentions. Words such as "expects," "believes," "anticipates," and similar expressions identify such statements. Investors should not place undue reliance on these statements, which speak only as of the date hereof. The Fund undertakes no obligation to update any forward-looking statement.

No Firm Commitment to Purchase the Interests

This Offering is being made on a "best efforts" basis. There is no commitment from any party to purchase Interests, and there is no assurance that any or all Interests will be sold. If the Offering is not fully subscribed, the Fund may not raise sufficient capital to achieve its investment objectives, operate efficiently, or provide expected returns to Investors.

Unpredictability of Distributions

Distributions to Investors are not guaranteed and may not occur. The Fund's ability to make Distributions depends on liquidity events at the Portfolio Company level, which in turn are dependent on a successful exit from Perplexity AI. There is no assurance that any such liquidity event will occur or that sufficient funds will be available for distribution.

Lack of Operating History

The Fund is a newly formed entity with no operating history, making it difficult to evaluate its future performance. The Portfolio Company may also be newly formed and lack historical performance data. Past performance of similar investments or affiliates is not indicative of future results.

Reliance on Key Persons

The Fund's success is substantially dependent on management's expertise and decision-making and, to the extent relevant, the Portfolio Company. The loss, unavailability, or diminished contributions of any such key individuals could materially and adversely affect the Fund's performance.

General Economic and Other Conditions

The Fund's performance may be adversely affected by changes in economic, political, or regulatory conditions, including inflation, interest rate fluctuations, market volatility, pandemics, natural disasters, and geopolitical instability. These external factors are outside the Fund's control and may impair the value or performance of its investment.

Lack of Control by Investors

Investors will not participate in the management or control of the Fund and will have no voting rights with respect to the Fund's operations or investment decisions.

Lack of Marketability

The Interests are highly illiquid and are subject to significant restrictions on transfer. There is no public market for the Interests and none is expected to develop. Investors should be prepared to hold their Interests for an indefinite period.

RISKS RELATING TO THE FUND'S STRUCTURE AND INVESTMENT IN THE PORTFOLIO COMPANY

Single-Asset Exposure

The Fund's sole asset will be its interest in the Portfolio Company, which is expected to hold only shares in Perplexity AI. As a result, the Fund's performance is entirely dependent on the performance of a single company, and Investors bear the risk of total loss in the event of adverse developments at Perplexity AI.

Multiple Layers of Risk

The Fund does not hold Perplexity AI securities directly, but rather through an indirect interest in the Portfolio Company. This structure introduces additional layers of operational, legal, and economic complexity and risk, including reliance on the Portfolio Company's governance, transparency, and decision-making.**Lack of Transparency**

The Fund may have limited access to detailed financial or operational information about the Portfolio Company or Perplexity AI. Neither the Fund nor its Investors will have control over the reporting practices or decision-making of the Portfolio Company or Perplexity AI. Lack of transparency may impair the Fund's ability to monitor performance or detect adverse developments.

Valuation Risk

Valuation of the Fund's investment in the Portfolio Company will depend on estimates which are inherently subjective, may not reflect realizable market prices, and may be based on assumptions or inputs that prove to be inaccurate.

Liquidity Risk

Interests in both the Fund and the Portfolio Company are illiquid Perplexity AI shares are not publicly traded and may be subject to transfer restrictions. The absence of a liquid market for these securities may delay or prevent realization of value and may impair the Fund's ability to make Distributions.

RISKS RELATING TO Perplexity AI Corp

Company-Specific Risks

Perplexity AI operates in complex and high-risk industries, including space transportation and satellite communications. It faces risks including, but not limited to, technological failures, supply chain disruptions, cost overruns, accidents, and delays in mission-critical projects, any of which may significantly impact valuation.

Regulatory Risks

Perplexity AI is subject to extensive regulation by U.S. and foreign government agencies, including licensing, environmental, and national security regulations. Changes in law, failure to obtain or maintain required approvals, or enforcement actions could materially impact operations.

Valuation and Exit Risk

Perplexity AI is a privately held company and there is no assurance that it will pursue or complete a liquidity event, such as an initial public offering or secondary sale. Accordingly, valuation is speculative and subject to significant uncertainty.

Perplexity AI May Need Additional Capital to Expand and Fund Losses Until the Business Reaches Scale. The Need for Additional Capital Could Create Potential Dilution in the Future.

Perplexity AI may need additional capital to grow. As the Interests ultimately represent underlying ownership of Perplexity AI, in the event that Perplexity AI issues additional shares of capital stock in the future—including options or warrants to purchase common stock or preferred stock – there will be dilution to Perplexity AI’s stockholders, and holders of ownership interests in Perplexity AI, which include the Portfolio Company and, indirectly, the Fund, may experience substantial dilution in their ownership. In the event that Perplexity AI is sold, holders of ownership in Perplexity AI, including the Portfolio Company, will be subject to distributions as determined by Perplexity AI’s liquidation preference.

No Control over Perplexity AI or their Future Valuations.

Neither the Fund nor the Portfolio Company (nor any of their respective affiliates) will or will be expected to obtain representation on the board of directors or have any control over the management of Perplexity AI. Thus, the success of the Fund’s investment in Perplexity AI depends on the ability and success of the management of Perplexity AI in operating their businesses and maximizing the value of the Perplexity AI securities held indirectly by the Fund, in addition to economic and market factors. There may be no market for the Perplexity AI securities, and any market that does develop may be very limited. Accordingly, valuations may fluctuate considerably and the per share valuations that are negotiated may bear limited or no relationship to future valuations of Perplexity AI in any market that may develop for such shares, whether private or public.

Reputational Risk

Public perception of Perplexity AI can be affected by mission outcomes, media coverage, leadership controversies, or incidents involving safety, ethics, or compliance. Negative publicity may impair valuation and reduce exit opportunities.

TAX AND FEE RISKS

Federal Income Tax Risks

The Fund intends to be treated as a partnership for U.S. federal income tax purposes. Investors will be required to report and pay taxes on their share of taxable income, regardless of whether Distributions are made. Investors should consult with tax advisors to assess the implications of an investment.

Fund Organization Fees, Start-Up Expenditures and Syndication Expenses

The Fund will incur significant expenses related to its formation, organization, and this Offering, including legal, accounting, and marketing costs. These expenses will reduce the amount of capital available for investment and may adversely affect Investor returns.

Placement Fees Due Broker

The Fund will pay OpenDeal Broker LLC a placement fee equal to 8% of gross subscription proceeds. This fee will reduce the capital available for investment and increases the effective cost of an Investor's participation in the Fund.

Double Fee Structure

Investors should be aware that multiple layers of fees may significantly reduce net returns. The Fund will pay a management fee equal to a total of 10.5% broken down as follows: management fee equal to 3% of gross proceeds to the Organizer and 7.5% of net proceeds to the second layer vehicle. Portfolio Company will assess its own management and expense fees, which may also be paid from invested capital. These fees compound to reduce the amount of capital earning a return.

Changes in the Law; Recent Legislation

U.S. federal, state, and local tax laws are subject to change, potentially with retroactive effect. Such changes could materially impact the Fund's structure, the tax consequences to Investors, and the after-tax returns on investment.

Risk of Audit

The Fund's tax filings may be subject to examination by the IRS or other taxing authorities. Adjustments resulting from an audit may increase the tax liabilities of affected Investors, and the cost of any audit-related proceedings may be borne indirectly by the Fund or the Investors.

No IRS Rulings

The Fund has not sought and does not intend to seek advance rulings from the IRS regarding any tax matters. As such, there is no assurance that the Fund's tax positions will not be challenged or that such challenges will not result in adverse consequences for Investors.

OTHER REGULATORY AND LEGAL RISKS

Federal and State Securities Laws; Absence of Regulation Applicable to the Fund.

The Interests are offered pursuant to exemptions from registration under the Securities Act and applicable state laws. As a result, the Fund is not subject to the same level of regulatory oversight or disclosure obligations as a registered investment vehicle.