



Alts Risk & Conflicts of Interest Disclosures

On the Public app and website, you can buy and sell membership interests in limited liability companies that are offered under Tier II of Regulation A of the Securities Act of 1933 (as amended). At Public, we refer this class of assets as “**Alternative Assets**,” and we call the membership interests in each limited liability company “**Alts Securities**” or “**Shares**.”

Alternative Assets carry a high degree of risk. Loss of an investor’s principal is possible. This document discusses some of the risks posed by Alternative Assets, as well as certain conflicts of interest you should be aware of before investing. Please read this document carefully together with the offering circular that applies to the particular Alternative Investment that you are interested in, and consult with a lawyer or financial advisor.

This document should not be construed as an investment recommendation or investment advice. Nor is this document a solicitation to purchase or an offer to sell any securities.

Who We Are

To better understand the risks and conflicts of interest involved with Alternative Assets, you should be aware of some of the key parties involved. We introduce them below.

Public Holdings, Inc.

Public Holdings, Inc. (“**Public Holdings**”) is a technology company that operates the Public mobile app and website (the “**Public Platform**”).

Our members may use the Public Platform to trade Alts Securities, as well as NYSE- and NASDAQ-listed securities and cryptocurrencies. This Risk & Conflicts of Interest Disclosure only relates to Alternative Assets, not any other asset class.

Otis Wealth, Inc. and its Subsidiaries

Otis Wealth, Inc. (“**Otis Wealth**”) is a subsidiary of Public Holdings. Otis Wealth is not a broker-dealer or investment advisor.

Otis Wealth sources and acquires alternative assets that it believes could prove to be good investments – assets it believes are appropriately priced and will grow in value over time. Each asset acquired by Otis Wealth is then assigned to a newly created subsidiary of Otis Wealth,

which subsidiary is a Delaware limited liability company (each, an “**Otis Sub**”).¹ Otis Wealth is the manager of each Otis Sub.

When you invest in Alternative Assets on Public, you’re purchasing Alts Securities (aka membership interests) in an Otis Sub. For details on how members of Public can invest in each Otis Sub, see the “Offerings of Alts Securities in Otis Subs” section below.

Dalmore Group, LLC

When you buy or sell Shares of Alts Securities via the Public Platform, those transactions are facilitated by Dalmore Group, LLC (“**Dalmore**”), a SEC-registered broker-dealer and a member of FINRA and SIPC. Dalmore is not an affiliate of Public Holdings. You can review Dalmore’s Investing’s FINRA BrokerCheck and Customer Relationship Summary [here](#).

Open to the Public Investing, Inc.

In order to invest in Alternative Assets on the Public Platform, you must first open a brokerage account with Open to the Public Investing, Inc. (“**Public Investing**”). Like Dalmore, Public Investing is a SEC-registered broker-dealer and a member of FINRA and SIPC. Unlike Dalmore, Public Investing is a subsidiary of Public Holdings.

When you buy or sell Alts Securities on the Public Platform, Dalmore charges a transaction fee. A portion of that fee may be shared with Public Investing.

North Capital Private Securities Corporation

North Capital Private Securities Corporation (“North Capital”) is another SEC-registered broker-dealer and a member of FINRA and SIPC. North Capital operates the Public Private Execution Network Alternative Trading System (“PPEX”), a registered electronic alternative trading system that compiles customer securities orders and matches them when possible.

When members of Public trade Alts Securities in the secondary market, Dalmore takes those orders and submits them to the North Capital PPEX. North Capital PPEX maintains the Alt Securities order book and, where possible, matches buy and sell orders. When a secondary Alts Securities trade executes on the PPEX, that information is communicated back to the customers, and Dalmore makes sure that the securities and cash are exchanged as needed.

¹ Occasionally, Otis Wealth will assign the acquired asset to a subsidiary that is a Delaware series limited liability company (a “**Multi Series Otis Sub**”). The asset is assigned to a particular series of the Multi Series Otis Sub, and investors buy Alts Securities (aka membership interests) in that particular series. Each Series is not a separate legal entity, but is intended to segregate assets, liabilities, profits and taxes pertaining to the underlying asset from the other series in the Multi Series Otis Sub. The risks and conflicts of interest discussed in this document with respect to Otis Subs (which are not multi-series LLCs) apply with the same force to Multi Series Otis Subs (which are).

Offerings of Alts Securities in Otis Subs

As noted above, Otis Wealth sources assets that it believes would make worthy investments – assets it believes are appropriately priced and will grow in value over time. Each asset acquired by Otis Wealth is then assigned to a newly created subsidiary of Otis Wealth, which subsidiary is a Delaware limited liability company (each, an “**Otis Sub**”). Otis Wealth is the manager of each Otis Sub.

Alts Securities (aka membership interests) in each Otis Sub are offered pursuant to Tier II of Regulation A of the Securities Act of 1933, which is an exemption from the registration requirements of the Securities Act and certain state securities laws. Each offering of Alts Securities is made pursuant to an offering statement, which is available on the Public Platform, the U.S. Securities & Exchange Commission’s EDGAR service and/or by emailing support@public.com.

Before investing in any Alternative Investment, you should review the offering circular and any other governing documents, and consult with a financial advisor and/or attorney. When investing in any particular Otis Sub, you must rely on your own understanding of that Otis Sub, the Alts Securities issued by that Otis Sub, the applicable offering circular and the underlying asset owned by such Otis Sub.

No offering is being made in any jurisdiction where such an offer or solicitation is not lawful or is prohibited or where Dalmore is not registered. Each offering is made pursuant to an exemption from the registration requirements of the Securities Act and certain state securities laws. Each Otis Sub will be required to file certain periodic reports (annual audited financial statements on Form 1-K, and unaudited semiannual financial statements on Form 1-SA) with the SEC. However, there is little publicly available information about its business, assets, liabilities, results of operations and other information than would typically be available regarding publicly traded securities.

Secondary Trading in Alts Securities

On the Public Platform, our members can purchase Alts Securities in public offerings conducted by Otis Subs. In addition, you may also be able to trade Alts Securities with other Public members in a secondary market. Secondary trading of Alts Securities is facilitated in an agency capacity by Dalmore through the North Capital PPEX.

While we endeavor to support secondary trading of Alts Securities on the Public Platform, Public offers no assurance that a secondary market will be available for all or any Alts Securities. You may not be able to sell your Alternative Securities via the Public Platform or otherwise.

Alts Securities may not be resold without an available exemption from registration under federal and applicable state securities laws.

Alternative Securities are not listed on any national exchange for trading, such as the New York Stock Exchange (NYSE) or NASDAQ, and there is no present intent to list them. Additionally, you may be subject to selling restrictions and lock-up periods.

For the reasons discussed above, your Alts Securities are generally illiquid or less liquid than other types of securities. Investors in Alts Securities must bear the risk of loss for an indefinite period of time.

Not Investment Advice

Neither Public Holdings, Public Investing, Dalmore, Otis Wealth, nor any of the Otis Subs are registered as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and the Alts Securities do not have the benefit of the protections of the Investment Company Act.

Furthermore, Otis Wealth, as the manager of each Otis Sub, is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act"). Holders of Alts Securities in each Otis Sub do not have the benefit of the protections of the Investment Advisers Act.

Notice to Foreign Investors

This document and any other communication by Public with respect to Alternative Assets is directed solely to persons located within the United States. If the recipient of any such communication lives outside the United States, it is their responsibility to fully observe the laws of any relevant territory or jurisdiction outside the United States in connection with any purchase of Alts Securities, including obtaining required governmental or other consents or observing any other required legal or other formalities.

Conflicts of Interest

There are certain conflicts of interest posed by Alternative Assets on the Public Platform that you should be aware of before you invest. You should understand and ask us about these conflicts because they can affect the services we provide you.

Conflicts Created by Fees and Commissions Earned by Public Affiliates

The way Public makes money in connection with Alternative Assets creates some conflicts with your interests.

Dalmore is a SEC- and FINRA-registered broker-dealer. Dalmore facilitates secondary trading of Alts Securities on the Public Platform. Every investor who would like to participate in Alternative Assets on the Public Platform must first open a brokerage account with Public Investing, also a SEC- and FINRA-registered broker-dealer. Public Investing is a subsidiary of Public Holdings. **Dalmore may pay Public Investing a referral fee in connection with secondary trading of Alts Securities.**

Otis Wealth, as the manager of each Otis Sub, bears the administrative burden and costs of setting up each offering of finding assets and setting up offerings of Alts Securities. In exchange, Otis Wealth receives a fee, in the form of cash or Alts Securities, in connection with each offering.

Otis Wealth also serves as asset manager for the Otis Subs. With respect to certain Otis Subs, Otis Wealth receives an annual management fee in the form of Alts Securities in the applicable Otis Sub. This in turn results in dilution for shareholders. Otis Wealth may be incentivized to have the Otis Subs hold assets for longer to continue receiving these fees.

Otis Wealth also determines the timing and amount of distributions made to investors from free cash flow generated by a particular Otis Sub. Since Otis Wealth may, with respect to Otis Subs that produce cash flow, receive a portion of free cash flow, Otis Wealth may be incentivized for those Otis Subs to maximize the amount available for make more frequent distribution, which could, for example, mean maintaining lower reserves than typically advisables rather than keeping cash on the balance sheet for future operating expenses.

In the event of the underlying asset of an Otis Sub being sold, Otis Wealth may receive 10% of the profits.

Other Conflicts

- Each Otis Sub's operating agreement contains provisions that reduce or eliminate duties (including fiduciary duties) of Otis Wealth, the Otis Sub's manager.
- Each Otis Sub does not have a conflict of interest policy.
- In the event that operating expenses for a particular Otis Sub exceed revenues generated by that Otis Sub, Otis Wealth may choose to cause the Oti Sub to incur debt rather than look for additional sources of income elsewhere to cover the costs.
- Because Public Investing may be paid a referral fee for certain transactions in Alts Securities on the Public Platform, Public Investing and Otis Wealth have an incentive to increase trading volume of Alts Securities on the Public Platform rather than focusing its efforts on monetizing or realizing the underlying assets.
- Otis Wealth or another Public affiliate may, from time to time, acquire Alts Securities in a particular Otis Sub and sell such Alts Securities from time to time. The timing of such series may negatively impact the market value of the Alts Securities for other investors.

- Otis Wealth is a party to the operating agreement of each Otis Sub. Therefore, Otis Wealth may be incentivized to amend it in a way that is more favorable to it rather than the investors.
- Otis Wealth will determine whether or not an asset owned by a particular Otis Sub should be liquidated, should a offer for such asset be received. The price achieved in such liquidation may not be in the best interest for all investors in the asset.
- Otis Wealth may acquire ownership of each Otis Sub, which ownership stake may vary across the different Otis Subs. Accordingly, Otis Wealth may be incentivized to generate more earnings with those underlying assets in which it holds a greater stake.
- The same legal counsel represents each Otis Sub, Otis Wealth and Public Holdings in connection with Alternative Assets.

Risks Specific to Alternative Assets

INVESTMENTS IN ALTS SECURITIES, AS WITH ANY INVESTMENT, ARE SPECULATIVE AND INVOLVE SUBSTANTIAL RISKS TO CONSIDER BEFORE INVESTING WHICH ARE FURTHER OUTLINED IN THE RESPECTIVE OFFERING MATERIALS AND INCLUDING, BUT NOT LIMITED TO, ILLIQUIDITY, LACK OF DIVERSIFICATION AND COMPLETE LOSS OF YOUR INVESTMENT VALUE. KEY RISKS INCLUDE, BUT ARE NOT LIMITED TO, LIMITED OPERATING HISTORY, LIMITED DIVERSIFICATION, RISK OF ASSET DAMAGE OR THEFT AND LACK OF VOTING RIGHTS. ALSO, THE ADVERSE ECONOMIC EFFECTS OF THE COVID-19 PANDEMIC ARE UNKNOWN AND COULD MATERIALLY IMPACT THESE INVESTMENTS. AN INVESTMENT IN ANY ALTS SECURITY CONSTITUTES ONLY AN INVESTMENT IN A PARTICULAR OTIS SUB AND NOT IN PUBLIC HOLDINGS, PUBLIC INVESTING, DALMORE OR OTIS WEALTH. INVESTORS SHOULD CAREFULLY REVIEW THE RISKS LOCATED IN THE RESPECTIVE OFFERING MATERIALS FOR A MORE COMPREHENSIVE DISCUSSION OF RISK. ONLY INVESTORS ABLE TO ACCEPT SIGNIFICANT RISKS FOR AN INDEFINITE PERIOD OF TIME SHOULD INVEST IN THE SECURITIES.

Any investment overviews contained herein or on any platform or website provided by Public Investing or any of its affiliates are merely summaries of the purpose and principal business terms of the investment opportunities. These summaries are intended for informational purposes only, we do not purport they are complete, and each summary is qualified in its entirety by reference to the more-detailed information contained in the offering circulars filed with the SEC and other offering or informational documents relating to such investment.

Future Offerings and Indications of Interest

From time to time, an Otis Sub may seek to offer additional Alts Securities to the public under Tier II of Regulation A of the Securities Act of 1933 (as amended). For future offerings that you become aware of but have not yet been qualified by the SEC, no money or other consideration is being solicited from you and, if any is sent in response, it will not be accepted.

No offer to buy securities can be accepted, and no part of the purchase price can be received, until an offering statement filed with the SEC has been qualified by the SEC or unless as stated in the offering materials relating to an investment opportunity, as applicable. Any offer to buy or sell securities may be withdrawn or revoked without obligation or commitment of any kind at any time before notice of acceptance given after the date of qualification by the SEC or as stated in the offering materials relating to an investment opportunity, as applicable.

An indication of interest involves no obligation or commitment of any kind. You will not be entitled to any refund after an investment has been made. Please review the relevant offering materials and subscription documentation for more information.

Additional Information on Alternative Assets

For additional information on Regulation A, please see the SEC Investor Bulletin [here](#).

The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring Alts Securities. Each investor is urged to seek their own independent legal and tax advice and read the relevant investment documents before deciding to participate in Alternative Assets.